

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

CITY OF BAYONNE

CHRISTINE TODD WHITMAN
Governor

ROLAND MACHOLD
Acting State Treasurer

JANE M. KENNY
Commissioner
Department of Community Affairs

NOVEMBER, 1999



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the City of Bayonne

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as, employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
CITY OF BAYONNE**

Governing Body

By waiving health benefits for part-time elected officials, the city could save \$35,640. Restructuring council clerical support to part-time job sharing would save \$85,407.

Clerk

Reduction of one clerical employee would save \$45,909, improving budget estimations for election costs would save at least \$16,118, and restructuring ABC licensing fees would result in revenue enhancement of \$113,000.

Automating the city's code book would cost \$10,000 - \$20,000.

Legal

A restructuring of the legal staff could result in savings of, approximately, \$68,424.

Insurance

A variety of health plan cost savings initiatives would yield an estimated \$2,851,583 in savings to the city.

Administration

The city should eliminate the annual stipends for employee licensure for a savings of, approximately, \$13,500. Agency aide positions should be eliminated for \$171,029 in estimated savings.

Personnel

A restructuring of the personnel staff could yield an estimated savings of \$60,719.

Purchasing

Participation in a municipal purchasing cooperative could result in savings of \$111,272. Purchasing an on-line purchasing module would cost, approximately, \$5,000.

Finance

By obtaining competitive rates and ensuring accounts are interest bearing, the city could increase interest earnings up to \$64,000 per year. Posting the general ledger and conducting reconciliation services in-house would save \$13,000.

Tax Assessment

Reorganization of staff and elimination of one assessing clerk yields savings of \$42,189.

Handling 80% of the city's tax appeals in-house would result in savings of, approximately, \$131,882.

Economic Development

Reorganization of economic development agencies along with aggressive marketing of loan programs would result in cost savings of \$285,000.

Community Development

Suggested reorganization and the implementation of an annual residential rental registration program is estimated to produce a net savings of \$294,916.

Parking Authority

Bringing the Parking Authority under the city and implementing productivity enhancements would result in a net revenues to the city of, approximately, \$782,481.

Courts

Reorganization of staff, better cash management, elimination of the alcohol counselor and collection of delinquent funds would result in a savings of \$241,127.

Implementation of a CCTV arraignment program would have a one-time cost of \$27,463.

Using a per diem system for public defender services would yield a savings of \$31,100.

Public Works

The team suggests a number of items for the city's consideration from reorganization of supervisory staff, to shared services with the board of education for vehicle maintenance, to competitively contracting custodial and maintenance services, which are valued at an estimated \$1,199,216.

We strongly recommend hiring an engineer to act as superintendent of public works in the event the present superintendent leaves. We also recommend the hiring of an assistant engineer for a total additional cost of, approximately, \$70,000.

Recreation

The institution of fees for users could yield at least \$124,052 in annual revenues.

Police

Reorganization, enhanced productivity, eliminating crossing guard health benefits, and changes in work hours are estimated to produce a net savings of \$1,230,916.

Fire

Recommendations regarding reorganization, changes in work hours, and eliminating one ladder truck company results in a net savings of \$2,906,105.

EMS

By modifying the bid specifications in the contract, the city could save at least \$378,261.

Health

By revising fees, instituting once a week trash collection, and eliminating commercial pickup, the city could realize estimated annual savings of \$526,390.

Library

Using community volunteers to staff a small branch and closing a low usage branch would result in net savings of \$107,700.

<u>Areas Involving Monetary Recommendations</u>	<u>Onetime Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
Governing Body			
Waive the provision of receiving health benefits		\$35,640	
Eliminate two clerical positions		\$85,407	
			\$121,047
Clerk's Office			
Automate code book	(\$20,000)		
Eliminate one clerical position		\$45,909	
Improve estimations of election expenses		\$16,188	
Review and revise liquor licenses		\$113,000	
			\$155,097
Legal			
Reorganize legal staff		\$68,424	
			\$68,424
Insurance			
Return to State Health Benefits Plan		\$1,600,000	
Conduct a claims audit on prescription plan	(\$20,000)	\$180,000	
Solicit bids for prescription plan		\$361,000	
Implement increased co-pays for prescriptions		\$124,583	
Implement increased co-pays for other than generic drugs		\$95,000	
Implement co-pays for dental program		\$175,000	
Implement cost sharing for other than single coverages		\$306,000	
Review health benefit and prescription bills		\$30,000	
			\$2,851,583
Administration			
Eliminate license stipends		\$13,500	
Eliminate 80% of agency aide titles		\$171,029	
			\$184,529

Personnel		
Restructure personnel office	\$60,719	\$60,719
Purchasing		
Purchase an on-line purchasing module	(\$5,000)	
Participate in purchasing cooperative	\$111,272	\$106,272
Management of Information Systems		
Use part-time students for technical support	(\$15,000)	(\$15,000)
Annual Audit/Cash Management		
Eliminate general ledger and reconciliation contract	\$13,000	
Consolidate checking accounts/RFP banking services	\$64,000	\$77,000
Tax Assessment		
Eliminate one principal assessing clerk	\$42,189	
Handle 80% of tax appeals in-house	\$131,882	\$174,071
Economic Development		
Restructure BEDC with Local Redevelopment Corporation	\$285,000	\$285,000
Community Development		
Create position/title of grants manager	(\$5,000)	
Eliminate contract for legal services	\$30,000	
Implement staff reorganization	\$35,916	
Create annual residential rental registration program	\$250,000	
Hire two housing inspectors	(\$65,000)	
Train planning and zoning board members	(\$1,000)	
Hire professional planner	\$10,000	

Use professionals on staff to review applications		\$30,000	
Discontinue monthly legal service payment		\$10,000	
			\$294,916
Parking Authority			
Use interest bearing accounts for meter revenues		\$2,350	
Merge parking authority with police department		\$252,588	
Acquire parking authority surplus balance	\$250,000		
Implement revenue generating recommendations	(\$124,941)	\$402,484	
			\$782,481
Court			
Downgrade third deputy court administrator position		\$5,602	
Change work schedule to eliminate overtime		\$48,776	
Implement CCTV Arraignment Program	(\$27,463)		
Use interest bearing checking accounts		\$17,388	
Participate in the Comprehensive Enforcement Program		\$114,922	
Generate timely failure to appear notices		\$10,000	
Eliminate alcohol counselor position		\$44,439	
Use a per diem system for public defender		\$31,100	
			\$244,764
Public Works			
Hire city engineer and assistant engineer		(\$70,000)	
Provide supervisory training to supervisors		(\$1,000)	
Downgrade superintendent of parks position		\$13,000	
Eliminate two stock handler positions		\$77,680	
Hire a clerical support for vehicle maintenance		(\$30,300)	
Eliminate a garage attendant position		\$37,000	
Contract shade tree services		\$45,301	
Eliminate dispatch position		\$36,275	
Contract park maintenance services		\$219,629	

Eliminate one street inspector position	\$42,247	
Eliminate the "litter patrol"	\$169,246	
Eliminate yard manager position	\$40,000	
Promote working supervisor in maintenance division	(\$10,000)	
Contract for custodial and maintenance services in cityhall/library/senior citizens buildings	\$441,193	
Contract trade maintenance services	\$118,945	
		\$1,129,216
Recreation		
Establish a fee schedule for adult athletic programs	\$66,000	
Revise fees for municipal pool	\$58,052	
		\$124,052
Police		
Limit day shift meal break to 30 minutes	\$64,167	
Traffic division take on additional duties	(\$21,586)	
Eliminate crossing guard benefits	\$416,736	
Reduce crossing guards by five positions	\$5,580	
Implement the tele-service program	\$54,486	
Restructure acting pay	\$17,000	
Eliminate the "relief" captain	\$103,850	
Eliminate COP captain position and create lieutenant position	\$14,441	
Promote lieutenant to captain in fields operation bureau	(\$14,411)	
Reduce lieutenant to sergeant in juvenile bureau	\$11,895	
Assign one detective to juvenile bureau on day shift	(\$67,841)	
Jointly purchase surveillance van	(\$40,000)	
Hire clerical for planning and training unit	(\$35,065)	
Eliminate court officer position	\$76,523	
Higher part-time civilian bailiff	(\$9,360)	
Reduce internal affairs lieutenant to detective	\$21,598	

Hire part-time clerk (15 hours) in Internal Affairs		(\$10,000)	
Eliminate one supervisory position by combining dispatch, computer and safety signal divisions		\$52,181	
Eliminate deputy chief of investigations		\$115,835	
Implement 5 on, 2 off work schedule for patrol		\$474,887	
			\$1,230,916
Fire			
Eliminate fire director position		\$89,552	
Establish 1 on, 2 off work schedule, 24 hour		\$2,662,177	
Implement pay raise by 10% for current employees working the above schedule		(\$718,266)	
Eliminate one ladder truck company		\$865,093	
Sell ladder truck	\$30,000		
Eliminate maintenance on old alarm system		\$4,440	
Hire part-time inspector in fire protection		(\$15,000)	
Promote lieutenant to captain in training division		(\$11,891)	
			\$2,906,105
EMS			
Modify bid specification for ambulance services		\$378,261	
			\$378,261
Health			
Review and revise fee schedule		\$16,390	
Implement once per week garbage collection		\$340,000	
Eliminate garbage collection for commercial establishments		\$170,000	
			\$526,390
Library			
Add two security cameras	(\$1,200)		
Use volunteers at the Story Court branch		\$50,000	
Close Branch II on Avenue C		\$55,900	

Eliminate book delivery by staff		\$3,000	\$107,700
Total Recommended Savings		\$80,396	\$11,713,147
Total Amount Raised for Municipal Tax			\$26,742,865
Savings as a % of Municipal Tax			44.1%
(Note: Does not include \$3.8 million in addition to local district school tax Type I)			
Total Budget			\$59,696,872
Savings as a % of Budget			19.8%
(Note: Does not include \$4.8 million in Type I School debt)			
Total State Aid			\$11,629,218
Savings as a % of State Aid			101.4%
Insruance	\$2,851,583		
Public Works	\$1,129,216		
Police	\$1,230,916		
Fire	\$2,906,105		
Other	\$3,690,723		
		\$59,696,872.00	
		\$(11,793,543.00)	
		\$47,903,329.00	
Budget	\$47,903,329		
Savings	\$11,793,543		

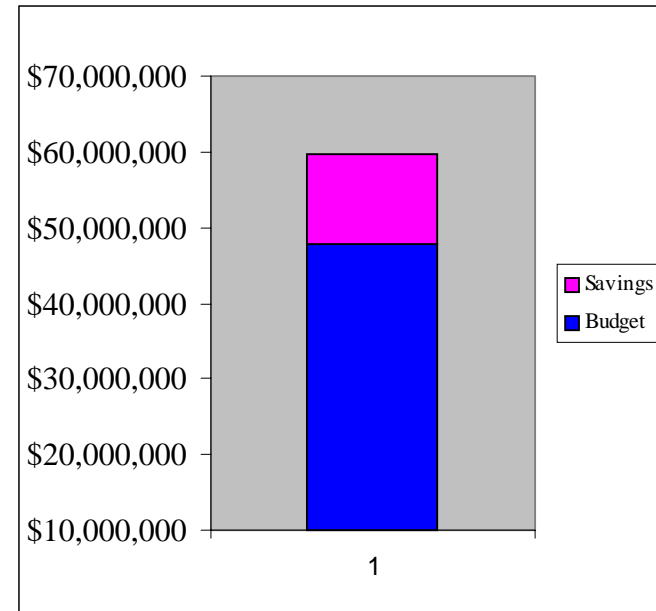
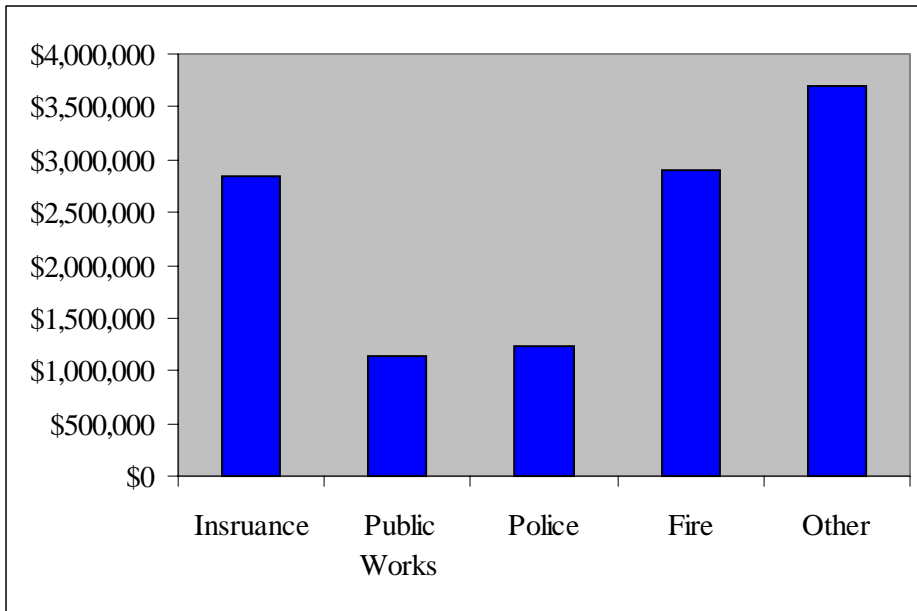


TABLE OF CONTENTS

Preface - Government That Works/Opportunities for Change
The Review Process
Executive Summary
Comparison of Cost/Tax Rate with Recommended Savings

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW	19
I. BEST PRACTICES	21
II. OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS.....	23
GOVERNING BODY	23
ADMINISTRATION	24
CITY CLERK.....	24
LEGAL	26
ENERGY	28
INSURANCE	29
CIVIL SERVICE.....	33
BUSINESS ADMINISTRATOR	34
PERSONNEL.....	35
PURCHASING	36
MANAGEMENT OF INFORMATION SYSTEMS (MIS)	38
ANNUAL AUDIT	41
CASH MANAGEMENT	43
TAX COLLECTION	43
BUDGETARY IMPACTS OF A TYPE I SCHOOL DISTRICT	46
TAX ASSESSMENT	48
ECONOMIC DEVELOPMENT	53
MILITARY OCEAN TERMINAL	56
COMMUNITY DEVELOPMENT	58
ENGINEERING.....	69
PARKING AUTHORITY	72
BAYONNE COURT	77
DEPARTMENT OF PUBLIC WORKS, PARKS AND RECREATION.....	82
RECREATION.....	98
BAYONNE MUNICIPAL UTILITIES AUTHORITY	101
POLICE DEPARTMENT	103
FIRE DEPARTMENT	130
BASIC LIFE SUPPORT SERVICES (EMS).....	142
HEALTH DEPARTMENT	145
SOLID WASTE	147
BAYONNE FREE PUBLIC LIBRARY AND CULTURAL CENTER.....	148

COMMUNITY OVERVIEW

The City of Bayonne is situated on a peninsula, at the southernmost tip of Hudson County, and is surrounded by Newark Bay, Upper New York Bay, and the Kill Van Kull. It is an urban waterfront community with easy access to major interstate transportation connections, including, Newark Airport, the New Jersey Turnpike, the Bayonne and Verrazano Bridges, and Routes 78 and 169. The city's northernmost boundary, just beyond the NJ Turnpike Bridge, is the City of Jersey City.

Bayonne had its start as a resort center for people from New Jersey and New York State, became a mecca for the oil refinery industry for most of the 20th century, and is now redefining itself as a mixed-use city with residential, commercial and light industrial development. It became a township in 1861 and was incorporated as a city in 1869. Bayonne has been governed, since November, 1961, under the mayor-council form of government. The city is divided into three wards. A councilperson is elected from each ward, with two additional councilpersons and the mayor elected at-large for four year terms. The legislative power of the city is vested in the municipal council.

Bayonne is 5.39 square miles with an estimated population of 60,499, with a population density of approximately 11,400 people per square mile. According to the 1990 census, the community was composed of 92% White, 1% Hispanic, and less than 1% each of Black, Asian-Pacific Islander, American Indian, and other races. The most rapidly growing segments of the population are the Asian/Pacific Islander and Latin American cultures. The majority of adults living in the city are employed in technical, managerial, and service fields. The median age is 37.4 years. The unemployment rate for 1996 was 6.2%, lower than that of the county at 9.2%, but more than the unemployment rate for the state, at 5.7%. The median family income is \$41,164 and per capita income is \$16,159; again based on 1990 census information.

Identifying communities that were comparable to Bayonne for purposes of benchmarking was very difficult. While Bayonne is located in Hudson County and is certainly an urban community, its statistics do not necessarily follow those statistics typical of other urban northern New Jersey communities. Urban communities in northern New Jersey with populations similar to Bayonne were not similar demographically. In Bayonne, educational attainment, income and equalized valuation of property were all higher while the crime rate was lower.

The principal business and shopping area in the city is located along Broadway, a north-south thoroughfare. There are also commercial establishments on Avenue C, and scattered throughout the city. There are four major industrial districts in the city, in addition to the Military Ocean Terminal. These are the 53rd Street Industrial District, Bergen Point Industrial District, the Port Jersey Industrial District, and the Constable Hook District, all of which are located along the waterfront surrounding Bayonne.

The Military Ocean Terminal (MOT) is situated on 700 acres and is located between the city's Port Jersey and Constable Hook Industrial Districts. The MOT contains an artificial peninsula that extends two miles into Upper New York Bay. There are piers for ocean-going vessels, a dry-dock over 1,000 feet long, capable of handling any ship afloat, rail and road access, storage facilities, various buildings formerly used by military personnel and families. The MOT is tentatively scheduled for closure in the fall of 1999. The city has established a Local Redevelopment Authority, which is actively working to redevelop the military base to its fullest potential. The redevelopment of the MOT will provide needed tax ratables and employment to city residents.

There are a number of historic landmarks in the city displaying well preserved examples of various styles of architecture. This includes the city's Carnegie-funded library, constructed in 1904. Almost 60% of the city's tax base is residential with 32% in industrial and commercial usage. The principal type of residential use found in Bayonne is two-family houses, in addition to a mix of multi-family houses, townhouses, garden apartments, and mid and high-rise apartments. The community is looking forward to the Hudson-Bergen County Light Rail Transit System, which will connect Bayonne to subways, ferries and buses to Manhattan, Newark, and other parts of the state, providing additional commuter transportation options. The city also anticipates the opening of a golf course on the closed municipal landfill site.

Bayonne is struggling with the budgets of past administrations, which included the expansion of programs, addition of staff, and use of one-time revenues to hold the local purpose tax stable, while increasing the municipal budget by more than \$10 million in just the last four years. Its reliance on one-time revenues resulted in the recent need to raise the local purpose tax for the first time in four years. However, this action has put the city on more secure financial footing by reducing reliance on one-time revenue streams and provides fiduciary responsibility for the taxpayer, through stabilization of the tax rate in future budgets.

i. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices that are noteworthy and deserving of recognition. Best Practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of cost effective effort. Below are the highlights of those practices found in Bayonne to be most outstanding.

Quality of Life

A few years ago, the city created a quality of life office designed to be the “central complaint” office for the residents of Bayonne. This office takes complaints that a resident has and will then facilitate a response with whatever department of city government is needed to remedy the situation. In order to make things easier for the residents the city set up a hotline to which complaints can be phoned in. We support the current staffing of one person who takes all of the complaints, facilitates the remedy, and then follows up with the resident.

The team commends the city for creating this position to improve responsiveness to complaints from residents, and for the productivity of the quality of life officer.

Bureau of Criminal Identification Training

The department has trained 46 officers and detectives as criminal identification officers. The patrol division has over 30 of these officers assigned to it. The detectives of the Record/Identification unit have handled most of the training. These officers provide initial crime scene processing for routine incidents where the county crime scene unit would not normally respond. The advantages include the savings in overtime, typically expended by calling out an identification detective to process a crime scene, or having to staff the identification bureau around the clock. This training gives the patrol officers a better understanding of the importance of crime scene work. It also gives them a sense of ownership and continuity of a crime, and a better chance of clearing the case than if the department had to ration the crime identification services due to a shortage of personnel or funds.

The bureau is commended for both identifying and implementing a cost savings measure and increasing productivity of the line staff.

Confined Space Rescue Trailer/Mobil Decontamination Unit Trailer

The fire department has been very successful in minimizing the amounts of tax dollars spent on equipment needs by soliciting donated equipment and business donations, and providing the necessary labor in-house. An excellent example of this is the acquisition and maintenance of the trailers at substantial savings to the taxpayers.

We commend the fire department for their cost savings initiatives.

Energy

In an effort to evaluate cost savings and address environmental concerns, the city solicited an investment grade audit of its utility accounts in November, 1998. As a result, an Energy Service Company (ESCO) contract was executed for a “self-financed” capital improvement project(s) for the municipal building and library. A “self-financed” project allows the municipality to fund the cost of improvements with annual energy savings and a subsidy from the utility

company (PSE&G Standard Offer payments). Under the terms of the city agreement, the cost to pay for improvements, fees and annual maintenance and service contracts is estimated at approximately \$134,000 annually. Savings are estimated at approximately \$188,000 annually, for a net cost savings of approximately \$54,000 per year.

The city is commended for taking a proactive approach to improving environmental quality, meeting EPA standards, and lowering utility and operating expenses resulting in lower costs for the city taxpayer.

II. OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefit, social security, pension, unemployment and other direct benefit costs.

Governing Body

The governing body is a five member municipal council and a mayor, operating under the mayor-council form of government. Three council members are elected from each of three wards, and two council members, along with mayor, are elected at large. The term of office for mayor and council is four years. The legislative power of the city is vested in the municipal council.

The mayor received a salary of \$72,000 in FY98, with health benefits, for a total position value of \$88,578. The council president received \$25,000, and four council members received \$21,600 each. In addition to the current mayor, one council member elected to waive full health benefits in 1998. The State Health Benefits Program permits elected officials to participate in the plan. The total cost of council salaries and benefits for 1998 was \$158,903, with 23% (\$35,640) being the cost of health benefits.

Recommendation:

It is recommended that the city elected officials waive the provision of receiving health benefits.

Cost Savings: \$35,640

The mayor's office staff in 1998 includes one agency aide, a chief of staff, a mayor's aide, a secretarial assistant, a clerk steno, a senior clerk steno and a public information officer. The staff position value cost for 1998 was \$349,051. Other expenses were \$21,222. The functions under the mayor's office include Planning Board, Board of Adjustment, Rent Control, Environmental Commission, and Public Defender.

In FY98, the city expended a total of \$244,280 in salaries and benefits for city council, which does not include the mayor who is budgeted under his own department. Other expenses for city council were \$4,964, and budgeting and accounting fees paid to the city auditor from the city council budget were \$63,000, with \$17,000 in reserve.

City council staff included one secretarial assistant and one community service aide for a total position value cost of \$85,407. The team questions the need for two full-time support staff for part-time council members since the clerical work could easily be done using the city clerk's staff, the mayor's staff, or other existing personnel.

Recommendation:

It is recommended that the secretarial assistant and community service aide positions be eliminated, and the city consider part-time job sharing through existing personnel to provide support services to city council.

Cost Savings: \$85,407

ADMINISTRATION

The city has a full-time business administrator, who also functions as the director of finance, to oversee the daily affairs of government. The business administrator/director of finance oversees personnel, purchasing, budget, finance, data processing, payroll, tax collector, tax assessor and treasurer/comptroller. The business administrator's office and the divisions he oversees are discussed elsewhere in this report.

City Clerk

The city clerk was appointed in 1978 and also served as the city's director of law for eight years, as provided for in the city's administrative code. He is currently acting in the city clerk capacity only. His responsibilities include:

- Serving as clerk to the council recording minutes and preparing agendas;
- Serving as secretary of any special legislative committees of council;
- Recording all ordinances and resolutions;
- Serving as custodian of all records not otherwise committed by ordinance to another office;
- Serving as the depository of all contracts, performance bonds, and leases;
- Maintaining record copies of all administrative rules and regulations; and
- Preparing clerk's budget.

The clerk's office expended \$213,573 in 1998 on salaries, direct benefits, and overtime for its operation. Other expenses accounted for \$21,733.

The code book was current to June 18, 1997. It is maintained by the city clerk and updated on a regular basis.

Recommendation:

We recommend that the city consider automating its code book which would permit changes to be made electronically.

Value Added Expense: \$10,000 - \$20,000

Staffing and Organization

The city clerk's office consists of the city clerk, the assistant city clerk, a supervising clerk and a senior clerk typist. It appeared to the team that this office was well run and organized. During our review, another clerical was transferred from the construction code office to the city clerk's office. The council meeting minutes were up to date and appeared complete, however the team questions the need for full publication of the tort notices in the meeting minutes. It also appeared to the team that while the office looked organized, and most contracts requested were made available, there was difficulty in locating certain documents pertaining to tax abatements and payment in lieu of taxes agreements. It was not clear whether the problem rested solely with the clerk's office, elsewhere, or both.

Recommendation:

It is recommended that every effort be made to maintain complete and up to date document files in the city clerk's office.

Prior to the transfer of the clerical person from the construction code office, the clerk's office appeared to be running smoothly at the level of staffing. Requests from team members were handled promptly and in a friendly manner. There did not appear to be a backlog of work, and the team does not feel another person in that office is justified at the current workload.

Recommendation:

It is recommended that the city clerk's staff be reduced by one position.

Cost Savings: \$45,909

Municipal Elections

Municipal elections are held every four years, with the most recent election budgeted at \$166,000, with \$138,436 in actual expenditures. There was a budget transfer of \$5,000 into the other expense category, which appears to have been unnecessary. In addition, \$54,500 was budgeted for primary and general elections for FY98, with \$38,312 in actual expenditures. The overestimation of election costs for FY98 totaled \$43,752.

Recommendation:

It is recommended that more accurate expenditure projections be made for the primary, general and municipal elections. Since municipal elections are held every four years, the cost savings from accurate expenditure projections are not realized here.

Cost Savings: at least \$16,188 annually

Fees and Licenses

The city clerk's office collects alcohol beverage license fees, which are \$800 for plenary consumption licenses, \$600 for distribution licenses, and \$150 for club fees. The city has not revised the fee ordinance for alcohol beverage license fees since 1991. The statutory maximum is \$2,000 for distribution and plenary consumption, and \$150 for club licenses. In comparison, Hoboken charges the maximum amount allowed by statute. The statute allows an increase of 20% per year up to the maximum. It will take Bayonne approximately five years to get to the maximum amount for consumption licenses and seven years to get to the maximum for distribution licenses. In FY98, the city had 84 consumption licenses at \$800 each (\$67,200), 10 distribution licenses at \$600 each (\$6,000), and 13 club licenses at \$150 each (\$1,950).

Recommendation:

It is recommended that Bayonne review and revise its liquor license fees annually and raise them to the maximum allowed by the state.

Revenue Enhancement: \$14,640 for one year (20%) for the next five years
to a total increase of \$113,000

Dog and cat licenses are administered through the city's health department. Dog licenses are \$5.20 with an additional \$3.00 charged if the dog is not spayed. N.J.S.A. 4:19-15.12 limits the annual fee for dog licenses to \$7.00 per dog. In comparison, several Hudson County municipalities charge \$6.80 - \$7.00 for a dog license. The last revision to the city's fee ordinance appears to be in June, 1997.

Recommendation:

It is recommended that Bayonne review and revise its fees and license ordinances on an annual basis and they be reviewed in terms of the costs of the regulation and subsequently be raised to meet those costs.

LEGAL

The law department consists of the law director, a legal assistant, four part-time assistant city attorneys, an administrative secretary, two legal stenographers and a clerk-stenographer, for a salary cost, including benefits, of \$525,145. A part-time attorney's position was replaced with a full-time legal assistant to the director during 1998. In addition, there is an \$85,000 appropriation for professional contracts, and \$31,000 in other expenses. The attorneys are scheduled so that two are in the building at all times, and pagers are provided. The weekly schedule indicates a 20 hour minimum workweek. The attorneys are responsible for all legal aspects of city operations, including routine legal work relating to suits involving the city, legal advice to all departments, and oversight of all contracts.

The city appears to have an experienced and qualified staff to protect the city's interests. However, each of the four part-time attorneys receives a full complement of benefits and time off. It was stated to LGBR that the attorneys often conduct city business from their private law offices, and this might be the case. It was also noted that the benefit package and scheduling used by the department are the only things that attract qualified attorneys to work for

the city. However, it appears that the compensation package for each attorney is more than fair. Each of the part-time attorneys earns an average of \$42,106, or \$40.48 per hour. When this compensation, which does not include benefits, is projected out to full-time status, or 40 hours per week, the average salary climbs to \$84,198 per attorney. According to the 1995 New Jersey Municipal Salary Report published by the New Jersey State League of Municipalities, salaries for municipal attorneys in the surrounding counties of Bergen, Essex and Morris range from \$35,000 to \$68,341. It should be noted that the city law director is paid, approximately, \$60,000, and the full-time legal assistant is paid, approximately, \$50,000.

Recommendations:

We recommend the city conduct a salary survey of the surrounding area to determine if salaries are comparable to nearby communities. Once this is complete, city officials need to discuss whether it is beneficial to have such highly paid part-time attorneys. Do the costs associated with the salary and benefits paid to the attorneys outweigh the risk management and quality results produced by the office?

City officials should also consider whether it would be in the best interests of the city to change from part-time attorneys to full-time attorneys. Instead of four part-time attorneys working approximately 20 hours per week, we propose two attorneys working 40 hours per week, at an average salary in the range of \$50,000, which could save approximately \$68,424 per year. This is in addition to the full-time law director and full-time legal assistant.

Cost Savings: \$68,424

Appropriations for contracted legal services were found in other areas of the city budget such as business administration and community development. The amount identified by LGBR for outside legal contracts was approximately \$427,000. Areas of work contracted out to outside counsel includes workers' compensation claims, labor issues, bond counsel, tax appeals, special counsel for environmental issues and tort claims. This level of expenditure for outside contracts when the city employs a full staff of attorneys is of some concern. This could potentially be reduced by allocating more contracted work in-house or by increasing part-time hours to full-time. The negative aspect would be that salaried costs will escalate and expertise may be limited. The city might consider the concept of using a contract agency to provide oversight of legal activities. The contractor would review all bills, and then compare them to normal and customary practices and costs, and assure accountability on the part of the firms retained by the city.

CONTRACTED LEGAL SERVICES				
Contract No.	Vendor	Amount	Department	
98-07	Krivot & Krivot	30,000	Comm. Dev.	CDBG Consulting
98-21	Apruzzese & McDermott	70,000	Bus. Adm.	Labor Negotiations
98-35	Adubato & Jaffe	11,000	Bus. Adm.	Ethical Standards
98-40	Hanly & Ryglicki	75,000	Bus. Adm.	Tax Appeals
98-41	Schwartz, Tobia & Stanziale	20,000	Law	Special Environmental Counsel
98-45	Krivot & Krivot	25,000	Public Safety	Grant Services
98-48	Hughes & Finnerty	52,500	Mayor	Public Defender
98-70	Rosenblum, Wolf & Lloyd	35,000	Law	Tax Appeals
98-71	Rosenblum, Wolf & Lloyd	47,000	Law	Tax Appeals
98-78	McManimon &	25,000	Finance	Bond Counsel,

	Scotland			Bulk Levy Sale
98-93	Raff & Masone	15,000	Mayor	
98-97	Fitzpatrick & Fitzpatrick	15,000	Mayor	
98-107	McManimon & Scotland	6,500	Finance	LFB Application
TOTAL		\$427,000		

Recommendations:

As recommended in prior LGBR reports, it is recommended that the city explore the possibility of contracting with a firm specializing in legal services oversight. The team believes that the cost of oversight will be paid for through improvements in the control over legal expenditures.

The city should also review whether it is cost effective to send out workers' compensation, tort claim and other work to outside counsel instead of hiring additional staff attorneys. LGBR was informed that a workers' compensation legal expert was already on staff, yet the city contracts with an outside vendor to provide at least some of this service. It is possible that in-house attorneys can be employed to conduct some of the presently contracted legal work at an hourly rate less than was contracted for in FY98.

The city should solicit RFP's for all services it is seeking, once the professional service agreements come to the end of their terms. In doing this, costs will be stabilized, if not reduced, because of competition. The city is not required by statute to solicit request for proposals in its use of outside counsel, since legal outside counsel is considered a professional service. LGBR is not implying that the services being provided are not at reasonable or market prices. However the best prices obtained by a city usually occur when competition for the service is sought.

ENERGY

In an effort to evaluate cost savings and address environmental concerns, the city solicited an investment grade audit of its utility accounts in November, 1998. As a result, an Energy Service Company (ESCO) contract was executed for a "self-financed" capital improvement project(s) for the municipal building and library. The project includes the following types of work: upgrading lighting systems to meet new energy standards; replacing inefficient chillers, electric motors and hot water heaters; installing an energy management system with operator controls; and performing complete air balancing for optimal performance. In all, ten specific cost efficient energy conservation measures (ECMs) were identified.

A "self-financed" project allows the municipality to fund the cost of improvements with annual energy savings and a subsidy from the utility company (PSE&G Standard Offer payments). Under the terms of the city agreement, the cost to pay for improvements, fees and annual maintenance and service contracts is estimated at approximately \$134,000 annually. Savings are estimated at approximately \$188,000 annually, for a net cost savings of approximately \$54,000 per year.

The city is commended for taking a proactive approach to improving environmental quality, meeting EPA standards, and lowering utility and operating expenses, resulting in lower costs for the city taxpayer.

An additional recommendation for savings would require the city to join the school district and housing authority in a shared service agreement for the competitive bidding of natural gas. While the city's annual use of natural gas for FY98 is minimal compared to that of the school district (approximately \$3,600 versus \$430,000), the city should take every opportunity to reduce operating costs, where possible, through shared services.

INSURANCE

Pursuant to a request from city administration, the team analyzed the current health insurance program provided by the City of Bayonne for FY98 for its approximately 765 employees and 395 retirees, and provided the city with preliminary recommendations/findings in October of 1998. It is our understanding that the city has implemented most, if not all, of our recommendations at the time of this report.

Health Benefits

The city became self-insured in December, 1996 as a result of a consultant's report which recommended that the city leave the New Jersey State Health Benefits Program and self-insure. The self-insurance program became underfunded as a result of high levels of utilization and exceptions for payment beyond the scope of the plan. The team has identified that the city is paying double the going rate for claims administration, retiree billing, and network utilization. This excessive cost is due to the city using two networks and paying two different brokers. It appears that the city does not have the in-house expertise necessary to run a self-insurance program. There also appears to be coverage for retirees who do not meet statutory minimums for the provision of health insurance.

In FY98, the city was covered with an excess policy for \$2 million after it reached self-insurance payments of \$5.2 million. The city used the excess policy and it appears will spend \$1 million more than the \$2 million policy.

Based on the above, it is apparent that a change in the provision of health benefits is required. The following options are available:

1. Continue with a self-insurance program but correct the problems burdening the present program.
2. Select a fully insured program outside of the State Health Benefits Program.
3. Return to the State Health Benefits Program.

The original design of the self-insurance program caused expensive over-utilization with few cost controls and no managed care provision. If the city chooses to remain self-insured, the plan should either be managed care or an indemnity plan. The concept of traditional indemnity would have to be controlled through realistic deductibles and maximums in order to make the plan affordable to both the insured and the taxpayers. The plan would need to drop utilization to more reasonable levels and require a mandatory second opinion prior to surgery. There is also no one currently in city administration with the expertise to manage the daily functions of a self-insured plan, which is contributing to a delay in the payment of claims.

Continuing with a self-insurance program with the necessary modifications to the overall plan design would be quite difficult given current levels of utilization, lack of administrative oversight, and collective bargaining considerations. The cost of the current self-insurance program was approximately \$8.5 million for 1998.

Full insurance permits the most flexibility in program design. As an example, the plan design for one national managed care program is very similar to the current self-insurance program that the city utilizes and it has a broad network. Full insurance shifts the burden from the city to the insurance company. The city could conservatively save approximately \$1.5 million in the first year. The critical element here is for this level of savings to continue, utilization rates and emergency room visits need to come down to accepted norms. There also needs to be methods of charging back to the insured for improper treatments without obtaining a second opinion.

The State Health Benefits Plan offers the city a structured program for providing health benefits for its employees. In addition, the State Health Benefits Plan provides the controls and regulations necessary to bring health benefits costs under control. The retiree issues that were of initial concern have been legislatively resolved. We conservatively estimate savings at \$1.6 million, based upon preliminary enrollment figures, that would be ongoing as the State Health Benefits Program does not charge a premium for a poor claims history. The city does have outstanding balances with the Division of Pension and Benefits that will be handled between those entities.

Recommendation:

It is recommended that the city return to the State Health Benefits Program. The savings are immediate. There are issues to be resolved concerning the residual costs of the current health care plan, and the outstanding balance owed the state. The State Health Benefits Plan can provide the necessary controls to curb excessive medical expenses, and is an easier transition for the city since it is the standard used for designing the current health care plan.

Cost Savings: at least \$1.6 million

Prescription Plan

The city is self-insured for its prescription plan. In 1998, the city spent approximately \$1.3 million to self-insure with a network administrator for about 1,160 employees, retirees and their families. The rate charges by contract are at the average wholesale price (AWP), or the generic maximum pricing (MAC) in the case of generic brands. Other networks are offering rates based on prescription costs of a maximum price of AWP minus 13% and MAC minus at least 45%. An analysis of a sample of prices paid under this plan indicated that switching plans would result in savings in excess of 25% or \$325,000. Since the discrepancy between prescription plans appears to be larger than the 13-15% expected, there also appears to be savings if an audit of claims on the prescription plan is done. The rates charged may actually be higher than average wholesale price. If the city were to conduct a claims audit and recoup 5% of the plan's cost based upon overpayment, the city could recoup \$180,000 for the past three years. The estimated cost for the review is under \$20,000.

Recommendation:

It is recommended that the city conduct a claims audit on the prescription plan.

Cost Savings: \$180,000

Value Added Expense: \$20,000

The incremental costs of dispensing prescriptions appear to be high in comparison to other third party administrators. The City of Bayonne is paying a \$3.75 dispensing charge per prescription. Other third party administrators charge between \$2.25 and \$2.50. If the city were to reduce the dispensing charges by \$1.25 per script, the city could reduce the dispensing costs of the program by over a third. The city is billed twice a month and averages over 400 prescriptions per invoice for retiree and about 800 per invoice for employees. Total savings would be approximately \$36,000 annually. We commend the city for not running the prescription plan through a broker. When LGBR compares the city's present prescription plan to the state's prescription plan, the savings amount to approximately \$425,000.

Recommendation:

If the city does not switch to the state prescription plan, it is recommended that bids be solicited from several independent pharmacy benefit administrators. The network discount that could be provided should result in savings of approximately \$325,000 for prescription charges and \$36,000 in dispensing fees.

Cost Savings: \$361,000

Cost Savings in going to State Health Benefits Program: \$425,000

According to claims reports for the city, if all co-pays were changed to \$5/\$10, the city would save an additional \$124,581 based upon an annualized projection of claims per group dated July 4, 1998. This would have to be negotiated with the leadership of the collective bargaining units.

The city could limit what drugs would be covered under the plan and make generic prescriptions a more viable cost alternative for the plan. If the city were to opt for an "other than generic plan design," where the patient either pays the \$5 co-pay for prescription or pays the difference between the generic brand and the brand name, the city could

save approximately 10-15%, or \$95,000-\$142,000. The city could also cap the limits per insured life at \$3,000 per year for savings of 15%, or \$142,500 based upon a revised plan cost of \$950,000.

Recommendations:

It is recommended that the city negotiate increased co-pays for all their employees and retirees.

Cost Savings: \$124,583

It is recommended the city increase the co-pays further by “other than generic” pricing. The city would save an additional 10-15%.

Cost Savings: \$95,000 - \$142,500

Dental Program

The city has been with a self-insured program for dental coverage for over six years. Over the past two years, the costs have increased slightly from \$339,484 to \$347,557. This is down from 1995 expenses of \$382,360. The plan design could be improved to give better service through better networks. Currently, there is only one dentist in the network and the dentist is not located in the city. This makes obtaining discounts difficult. The city has options to redesign the dental network or consider full insurance with broader networks. There are 781 employees covered at a cost of about \$450 per person per year. If the city were to expand the network, the city should attempt to cap and share the costs with the unions, with employee co-pay. The city’s current design of benefit dollar limits per subscriber should be continued. If the city were to negotiate a 50% co-pay with its employees for dental benefits, the city would save \$175,000.

Recommendation:

It is recommended that the city consider other options in providing this benefit to employees and retirees. A network that permits the employees and the city to obtain discounts would be a win-win situation. The city should consider a co-pay arrangement of 50% of premium.

Cost Savings: \$175,000

Cost Sharing for Health Benefits

The city should negotiate with the unions to enter into a cost sharing arrangement for a portion of their health benefits. Under the State Health Benefits Program, currently the only option for cost sharing is for other than single coverage. The city should charge for other than single coverage at a rate of 20%.

Recommendation:

Based upon the city switching to the State Health Benefits Program, the estimated 20% co-pay for other than single coverage at 1999 rates would conservatively result in a cost savings to the city of approximately \$306,000.

Cost Savings: \$306,000

Section 125C

The city should consider setting up a Section 125C program to reduce employee taxable income through employee health benefit contributions. The employee is not required to pay income tax on any deduction or payment made that is permitted under this federal regulation. The effect of this program would reduce the overall impact of employee health insurance premium co-pays by approximately one-third. An annual \$2,000 deduction would provide the employee with an increase in net income of \$700 per year (at the 28% income bracket in addition to 7.65% Social Security and Medicare), with an insignificant impact on future Social Security payments. There are also provisions in the regulations

that permit the employee to pay for other un-reimbursed medical expenses, as well as childcare expenses up to \$2,400 per child, or a maximum of \$4,800 per family. It is our understanding that the city did have a flexible benefit plan at one time, but that few employees participated.

Recommendation:

The city should consider offering a Section 125C program to its employees. We recommend an aggressive informational strategy that would explain the benefits of such a program to city employees to ensure their understanding in selecting or rejecting participation.

Administration of Health Care

A review of health care documentation revealed there were 168 prescription enrollees that could not be matched to active health enrollees. Of that number, 122 were in the health care retirement group. There were five wrong social security numbers which result in no additional cost, and

there were 30 persons identified who should not receive prescription benefits, but were on the active list. Since each subscriber costs over \$1,000 annually per year, a review of bills to determine ineligibility would result in a savings of \$30,000.

Recommendation:

The city should consistently review health benefit bills and prescription bills and compare to current payroll to ensure that only those employees eligible to receive benefits are included.

Cost Savings: \$30,000

civil service

The team was asked to review civil service policies and procedures in light of the belief of city officials that personnel were improperly classified. According to New Jersey Department of Personnel records, the city employed approximately 781 individuals in the following categories:

48	Unclassified Employees
83	Provisional Employees
<u>650</u>	Permanent Employees
781	

Of this number, 378 employees, or 48.39%, were employed in the uniformed ranks within the public safety department.

According to payroll records provided by the city during our review, the city employs 883 full-time and part-time employees. This is a significant discrepancy in the numbers reported to the Department of Personnel, and the city should take immediate action to reconcile these differences with NJDOP. Subsequently, it was reported to the team that payroll numbers in February, 1999 total more than 913. We recognize the labor intensive business of local government, and the costs of supplying those services, is a predominate factor in overall budget growth. However, municipalities must exercise greater restraint with regard to salary levels while moving to reduce the size of this work force.

At the time of this report, the city initiated general return of most of its provisional employees to their permanent status. This effort brought about some savings, and the opportunity to evaluate talent and determine needs in the personnel area. However, in some areas, employees were reclassified only to find themselves doing the same work at less money. The city has made efforts to identify these employees and expedite the necessary process to place them in their proper classifications.

There were also a certain number of outstanding civil service matters such as unreturned certifications and examination appeals that were unresolved at the time of our review. LGBR

was able to ascertain that at least six of these matters were resolved during our stay. However, certain examination appeals remain outstanding despite attempts to expedite their resolution by the city administration.

Business Administrator

The current business administrator (BA) was appointed in July, 1998. He has served as chief financial officer/comptroller/director of finance in the city for the past 18 years. He currently holds the dual title of BA/comptroller, and is funded under the finance department. The business administrator's office is structured with an assistant business administrator position that is currently vacant. The prior assistant business administrator has left to become the executive director of the Bayonne Municipal Utilities Authority. The comptroller has just recently assumed some duties of the finance officer, as well as serving as treasurer under the director of finance. She will be able to oversee the city's financial division, lightening the load for the current BA/finance director. In light of the city's recent past problems regarding oversight of its health insurance, we recommend that an in-house insurance auditor be hired. This person could also address communication concerns with the city's retirees pursuant to its health benefit plan. As we have suggested, this duty could be assumed by the new assistant business administrator.

Recommendation:

It is recommended that the city employ an assistant business administrator. The person filling this role should assist the BA with insurance oversight and risk management.

The team also identified several instances in which titles and/or positions are assigned to divisions or departments other than the actual department in which they are budgeted. These assignments make it difficult to allocate true costs to a function while possibly hindering supervision of these persons.

Recommendation:

It is recommended that positions be assigned correctly to the city department in which they work.

The city provides stipends for staff members holding various state licenses including chief financial officer, building inspection, various sub-codes and other UCC licenses, tax collection, municipal clerk, assessor, etc. The stipend provided is \$750 per person. These stipends are paid regardless of whether the license held is necessary/required for the position held by the employee. Any employee obtaining one of these licenses, for any reason, is eligible for the stipend. Certain positions require that certain licenses be held in order to be eligible for the position. The team does not believe in either scenario that the city should be paying these stipends without justification.

Recommendation:

We recommend the city eliminate paying stipends to employees that hold licenses, both when those licenses are required in order to have the position, and where the licenses are unnecessary for the position held.

Cost Savings: \$13,500

The title of agency aide is a title created for unique generic lower level employment at the non-competitive division. The title is not being properly used in the business administrator's office. Positions identified under agency aide should be analyzed and reclassified into the appropriate competitive position, or eliminated. Some agency aide positions, although part-time and receiving a salary of approximately \$3,600, were receiving full health benefits from the city at a cost of approximately \$8,900 each.

Recommendations:

It is recommended that the city re-evaluate the agency aide title in its entirety to ensure proper usage, or eliminate the position of agency aide. It appears that approximately 20% of the agency aide titles can be justified.

Cost Savings: \$171,029 including health benefits

It is recommended that full health benefits for part time employees be eliminated. The cost savings for the city is substantial, and will be discussed later in this report.

PERSONNEL

The personnel office is under the direction of a personnel officer and an assistant personnel officer. The office is also staffed with a personnel technician, and some clerical support available through the business administrator's office. The total salary cost for the three person office was \$166,160, including benefits. Organizationally, the personnel office comes under the business administrator's office, which is involved in personnel decisions on a regular basis. At the time of this review, the city administration had also assumed a more active role in the personnel function of city government.

The personnel officer, a permanent position under civil service, was not working in the personnel office during the initial stages of the review. In fact, she was reassigned to the senior citizen area where a more appropriate title might have been senior citizen program aide. This reassignment had taken place several years ago and the assistant personnel officer had taken over the duties once performed by the personnel officer. These reassignments generally have been expensive for city government. Our review determined that duties normally assigned to the personnel officer were undertaken at the business administrator's level including labor relations, personnel and compensation issues, and organizational effectiveness. In reality, the city was functioning with a principal personnel technician to oversee day to day operations while the business administrator performed the decision-making.

The city did permit the personnel technician or the assistant personnel officer to represent the city to the New Jersey Department of Personnel. The state had previously established a computer liaison with the NJDOP, which should be utilized to a greater degree. At the time of the review, the personnel office did not have a personnel manual in use. The assistant personnel officer addressed questions concerning routine personnel matters and routine civil service matters. Appeals and matters of a serious nature concerning civil service rules and regulations, as well as important employee grievances, were either directed to the business administrator or the city attorney's office.

During the final phase of our review, the personnel officer was returned to her assignments in City Hall. We were also informed that the assistant personnel officer was being transferred to the comptroller's office, and that she was being replaced by an employee from the tax office.

Recommendation:

It is recommended, as long as the business administrator remains the decision maker in the personnel operation, that the personnel officer's position be eliminated in favor of a senior personnel technician responsible to the business administrator. The new employee from the tax office should be trained to assume the duties of personnel technician.

Cost Savings: \$60,719

PURCHASING

The city's purchasing department is comprised of a purchasing agent, an administrative clerk and two clerk typists. The division is a part of the Office of Business Administration. For FY98, the division processed approximately 2,397 purchase orders for a total of \$1,112,728 in services and material. The FY98 salary and benefit costs of the division were \$177,258.

When a city department has a need for goods or services, the department prepares a requisition form that is signed by the department head and forwarded to purchasing. It is the purchasing agent's responsibility to seek the best combination of price and delivery for every purchase in accordance with statute. Upon receipt of a properly prepared requisition, the purchasing department will assign a purchase order number, input the information into the computer system for encumbrance, and issue a five-part purchase order. If funds are not available, the requisition is returned to the originating department. Upon receipt of goods or services, one copy is signed by the requesting department (receiving report), logged by purchasing and sent to the comptroller for processing. The comptroller (accounts payable) then "matches" the receiving report to the vendor signed and submitted purchase order/voucher with the original invoice, and authorizes payment.

The city uses a voucher system for the purchasing of goods and services where the purchase is not a recurring expense or is under \$50 and where petty cash is not readily available, subject to the approval of the department head. Vouchers are forwarded to the comptroller for approval and payment.

Petty cash is used for non-recurring purchases below \$40 subject to advanced approval of the department head. Receipts are sent to purchasing for reimbursements, which are charged back to the departments account. Purchasing processes approximately 500 - 600 petty cash reimbursements per year.

Where available, for certain types of products and services, the city makes purchases under state contracts. All purchases using state contracts must be approved by the department head and mayor and have a resolution passed by city council.

The purchasing agent has prepared a draft Purchasing Manual which, when issued, would codify purchasing policies and procedures.

Recommendation:

Bayonne is urged to purchase a new, fully integrated financial management system with a purchasing module that will allow for electronic approval of purchase orders with “on-line” cost center input and inquiry capacity.

Value Added Expense (on-line purchasing): \$5,000

Planning and Cooperative Purchasing

Bayonne municipal purchasing benefits from professional management and oversight. However, there needs to be greater emphasis on planning, the development of “purchasing cycles” for each of the departments, and inclusion of the purchasing agent in the budget planning process. The purchasing agent would then be able to determine the most cost effective way to meet the city’s material and service needs for the upcoming fiscal year.

In concert with an improved planning process, the purchasing agent needs to expand the number and type of procurement options available to meet city needs. For example, the city could gain greater output from its purchasing dollar through participation in a municipal based purchasing cooperative similar to one currently administered by the Morris County Cooperative Pricing Council. The cooperative pricing agreement enables multiple municipalities and/or school districts to aggregate their needs to gain greater discounts for commonly needed services and supplies. The Morris County Council includes over eighty political entities both within and outside Morris County, and offers over fifty different contracts for items ranging from gasoline to rock salt, police uniforms and tree spraying services. The current membership fee is \$900 per year.

In addition, in a review of the Bayonne school district, LGBR recommended that the district also participate in an existing education based purchasing cooperative. The city should enter into an agreement with the school district to share in the purchasing of common needs, most notably general office supplies and copy paper, custodial chemicals and paper goods, and maintenance material and supplies. Existing cooperatives have documented savings of ten to fifty percent below current state contract prices. Participation includes a six percent management fee.

Cooperative purchasing helps facilitate the planning process as annual requirements, to the greatest extent possible, are identified at the beginning of the fiscal year from utilization in the previous year. It also allows the municipality to benefit from lower contract prices for services or supplies that were not anticipated, but covered under contract for other cooperative participants.

Based upon annual purchases of \$1,112,718 for the 1998 fiscal year, and utilizing a conservative “average” estimate of ten percent, the city could save \$111,272 by participating in one or several existing purchasing cooperatives.

Recommendation:

Bayonne should seek to participate in a municipal-based purchasing cooperative for services and supplies, and jointly purchase general office supplies and copy paper, custodial chemicals and supplies and building maintenance and supplies with the school district.

Cost Savings: \$111,272

MANAGEMENT OF INFORMATION SYSTEMS (MIS)

The integration of technology into the work place can provide management with numerous opportunities for productivity enhancements and empowerment of employees, especially when achieved through careful planning, development, and deployment. This integration of technology must be coupled with training and encouragement for employees to use the technology, in order for the city to elicit as great a benefit as possible. As part of our review, the team examined how a municipality utilizes technology from the department level to the organization as a whole. With the exception of the library, Bayonne does not have an organized technology plan.

Staff

There is currently one staff member that is assigned to work on the city's computer technology. He reports to the city's administrator/finance officer. He has been with the city since 1995 and is a certified network administrator. He is also working towards being certified as a network engineer. The city currently has a contract with an outside vendor to serve as the network engineer at an annual cost of \$22,000. This office has been responsible for installing the network in City Hall; installing PC's in the various departments, trouble-shooting when staff has problems with equipment, etc. This office does not make the decisions as to what equipment to buy or who gets new equipment. This office assists the library staff on technology issues as needed. The city was not able to provide us with figures on how much money was spent on computer/technology purchases in the last few fiscal years.

Technology Plan/Y2K

The city does not have a technology plan. The library has an in-house technology plan that was not formally adopted by the library board. More detailed information on the library's technology plan is covered under the library section of this report. The city has a Year 2000 committee in place to address Y2K issues. This committee is comprised of department heads, their representatives, the technology staff person, and a few other individuals. The police and fire departments believe they have addressed their Y2K issues and no longer attend the Year 2000 committee meetings. The team was informed that there is no set procedure by which the committee is exploring the Y2K issues and was not provided with any information or findings of the committee during the review period. The committee, focusing on Y2K, is not including an overall view of technology issues at this time. Some members of the committee believe that exploration of Y2K issues will also identify other technology issues that exist. Based on the current inventory, it appears many of the computers are not Y2K ready.

Recommendations:

We recommend that the Y2K committee be renamed the city's technology committee, and that its mission be revamped to include overall technology issues facing the city.

We recommend that representatives from uniformed divisions continue to be involved in the Y2K/technology committee to assist the committee in identifying issues based on their own departmental findings and experience.

Inventory

The MIS staff person has a basic inventory of computer equipment for the city; however, this list did not provide sufficient information on each piece of equipment for the team to determine whether all of the computers are Y2K compliant. It appears there is an array of PC based equipment, from old 286's to newer Pentiums. The list did not appear comprehensive as the police department computers were not listed and only a few of the fire department computers were included. Since the library is essentially on its own regarding technology, its information was not included on the city's MIS office inventory.

Recommendation:

We recommend the city's MIS staff/office compile a complete listing of computer equipment, including hardware and software, to assist the technology committee in its evaluation of the city's needs and for the preparation of a city-wide technology plan.

Web Page

The city has a very comprehensive Web Page providing a good deal of information on Bayonne and upcoming events. The team noticed, however, that the directory of city departments has not been updated to reflect changes in the city's departments.

The city is commended for the use of its web site as a means of communicating with its residents. The city is also commended for using cable access in the same way. The city realizes additional revenue by soliciting underwriting grants to offset production funding to broadcast governmental meetings and/or related programs.

Recommendation:

We recommend that the city periodically check the web site to insure that the webmaster is keeping the site updated, most particularly noting that changes to the city's departmental organizations need to be updated, along with current phone numbers.

Cable Access

The city has an excellent working relationship with its local cable company. It has set up television equipment in the council chambers and currently televises the meetings. This is another example of the city's use of available technology to benefit its residents.

We commend the city for working with the local cable company. The city now televises its local meetings for the benefit of its residents.

Internet

As the network is currently configured, city employees do not have internet access. Interviews with various staff members indicated that certain employees have personal Internet provider accounts. These employees have received permission for these connections and are being reimbursed by the city. There has been some discussion about providing internet access to department heads. When the team inquired as to the rationale behind this decision, none was provided. The team inquired as to whether the city had created an internet policy, since there are individuals hooked up and they are considering additional hook ups. The city has not created an internet policy at this point in time; however, the library has one in place. The city could use the library policy as a starting point although the two facilities have different issues and concerns to address.

Recommendation:

We recommend the city formulate an internet usage policy before the city provides access to its employees. This could be a task assigned to the technology committee and reviewed by the city attorney.

Training

From discussions with various city employees, it appears that a minimal amount of computer training has been provided to employees. Some employees, it appears, have taken the initiative and enrolled in outside classes on their own. It was also mentioned that there are a couple of employees in the police department that have led training sessions for other City Hall employees.

While technology investments are critical for the enhancement of the city's future operations, the education and training of the city's workforce to enable it to effectively use this technology is key to the city's success. Having a lone individual in charge of all the city's technology needs does not allow for that individual to schedule formal/informal training sessions with the staff. There are various options the city could pursue to better train its employees including using staff/students from surrounding colleges to come in and lead training sessions, contract with private firms to provide training, etc.

Recommendation:

We recommend that the city explore the various computer training options available to it, including contracting out the training service, entering into a shared service agreement with one of the area colleges, or using a program, such as that provided by the State's Human Resource Development Institute.

Technical Support

The city should consider employing several high school or community college students who have both a proficiency and an inclination to learn more about computers to assist the technology staff in maintaining the computers and the network. This would free the staff to focus more on issues that demand the attention of a professional, and allow the interns to concentrate on the more routine tasks found within the city. This would give the city a valuable resource while presenting a valuable vocational opportunity for several students.

Recommendation:

We recommend the city increase the technical support staff by hiring students, on a part-time basis, for routine repairs and questions from the staff.

Value Added Expense: \$15,000

ANNUAL AUDIT

The team reviewed the professional services contract for auditing services, which contains a not to exceed figure of \$89,500. Auditing and financial services, provided by the city auditor, totaled \$124,500 for FY98. The additional \$35,000 expense included reconciliation services, general ledger maintenance, and participation in the NJ-CAFR pilot program administered through the Department of Community Affairs.

As we have noted in other sections of this report, professional services do not have to be bid. The city did not solicit request for proposals for this service, and there is no statutory requirement that the city do so. However, LGBR believes that the city could benefit from the competition generated through such a process, stabilizing or even reducing, the amount spent on these services.

Recommendation:

It is recommended that the city seek competitive pricing for their professional services to assure receiving quality services at the lowest cost possible to the taxpayer.

The city contracted with the auditing firm to provide reconciliation services and general ledger maintenance for a total of \$13,000. The city has added an accountant to the finance department who worked for the city auditor in both the municipality and the schools. This addition has provided the city with needed financial and accounting skills, and posting to the current fund general ledger is within her scope of abilities. LGBR has also observed that existing staff has the necessary skills to reconcile all bank accounts, and was accomplishing this on a monthly basis. Utilizing in-house personnel to maintain all city general ledgers would also provide an additional measure of internal control.

Recommendation:

We recommend that the contract with the auditor to post the current fund general ledger and reconciliation services be terminated, and that the city use in-house personnel to perform that function as required by statute.

Cost Savings: \$13,000

The city participated in the Comprehensive Annual Finance Report (NJ-CAFR) pilot program developed through the Department of Community Affairs for the 1998 fiscal year. The NJ-CAFR is modeled on national standards for the presentation of governmental financial information, and it is the city's intent to facilitate an understanding by the non-financially oriented citizen, as well as, provide all necessary information for the sophisticated financial observer.

By statute, the annual audit must be completed within six months of the close of the fiscal year (June 30th). In 1997, the Independent Auditors' Report Letter in the front of the audit document was dated July 14, 1998. In comparison, the 1998 NJ-CAFR was delivered October 30, 1998.

The city maintains a networked real-time computerized accounting system to record all financial transactions. However, the city could benefit from integrating the separate revenue collection software with the financial reporting software. It is our understanding that the tax collection and reporting hardware and software systems are being upgraded. This is an excellent time for the city administration to consider integrating the finance software with the tax collector system, especially to ensure Y2K compliance. There are many short and long term opportunities for savings due to efficiencies when the tax collector/finance software is integrated, including cross training of employees, better financial control, and improved service delivery to the residents of the city.

Recommendation:

In conjunction with the computer software upgrade for the tax collector, the city should strongly consider tying in the tax collection software to the finance department. This integration could be accomplished through developing specifications based on their needs and issuing requests for proposals to qualified software vendors.

In 1997, the audit contained 15 comments. The 1998 audit contains 7 comments, 6 are repeated from FY97. The city has filed a corrective action plan to NJDCA to address these comments.

CASH MANAGEMENT

The city has adopted a cash management plan for 1998 in accordance with N.J.S.A. 40A:5-14. The city currently has 35 accounts distributed among three banking institutions. The city also designates MMA Investments for its workers' compensation account, MBIA Investments for six accounts, and New Jersey Cash Management for seven accounts. City officials have advised LGBR that the city has not gone out for requests for proposals for banking services, and that the arrangement of utilizing several banking institutions has a historical basis.

Recommendation:

We recommend that the city issue a request for proposals for banking services to ensure they are receiving the best return on their money by minimizing service fees while maximizing interest earnings.

The review team analyzed the city's use of its cash, its interest earnings, and its relationships with its banks. The city official responsible for the city's cash management plan is the treasurer/assistant comptroller. Under her direction, the staff reconciles bank accounts on a monthly basis, and posts interest earnings to the appropriate receipt journal. The treasurer is responsible for deposits and withdrawals to investments accounts, the purchase of CD's, etc. The city received \$640,683 in interest on investments and deposits for 1998.

The city has duplicative accounts in different banks. For example, there is a current fund checking account in each of three different banks, along with current fund accounts in two investment accounts. We suggest consolidating the checking accounts to allow for more efficient use of staff, lower the cost of services, and increase interest earnings through more favorable negotiated terms with the city's bank. The team performed an analysis of the city's current banking relationships. The analysis revealed a 10% reserve requirement with two of the banks. Interest earnings ranged from 5% at one bank, with a charges for services covered by a compensated balance requirement, to another bank with interest rates ranging from 3.46% - 5.18%, again with charges for services covered by a compensated balance requirements. The range for costs of various bank services is considerable. We believe the city would benefit from a reduction in these costs, as well as from competitive interest rates, by issuing RFP's for banking services and then negotiating service fees/compensating balances/interest rates with their bank(s). In prior reviews, we have seen municipalities negotiate out the usual 10% reserve requirement, increasing the amount on which interest is earned by 10%. The review team has also noted checking accounts in various departments that were non-interest bearing while incurring service fees monthly.

Recommendation:

The chief financial officer should conduct a study of the city's checking accounts to determine which are non-interest bearing, such as the court administrator's checking accounts, and take the appropriate corrective action to increase revenue for the municipality on idle funds.

Revenue Enhancement: approximately \$64,000

TAX COLLECTION

Staffing

As of early 1999, the tax collector staff consisted of the tax collector, four full-time clerks, and a part-time clerk shared with the finance department. They handle approximately 13,000 tax lines. Using a benchmark from a previous Local Government Budget Review report, an efficient workload should equal about 3,300 items per person. This would indicate that the department could be appropriately staffed by 3.9 people. However, the tax collector also oversees the bulk levy sale and provides the additional work required in tracking and payment pursuant to the levy sale. The department is currently upgrading its revenue and tax collection software and hardware and will be heavily involved in the training of staff. In addition, the team was advised that the part-time clerk is now assigned full-time to the tax department, and one full-time clerk was transferred to the finance department.

Water and sewer billing and collection have been outsourced to a private company for the past several years. City administration and the tax collector have indicated that outsourcing this function is efficient for the city because of current staffing levels and the performance of the private company in collecting and billing.

We concur with the city's decision to outsource water and sewer billing and collection and, given the additional duties of administering the bulk levy sale, support the appropriate staffing level now in place.

Collection Rates

The levy and collection of taxes are based upon the city's July 1st to June 30th fiscal year. Property taxes are based on an assessor's valuation of real property and are levied for a calendar year. The city mails tax bills twice a year. The bill for the first two quarters, due on the first days of February and May, is mailed in October of the preceding calendar year. The bill for the final two quarters, due on the first days of August and November, is mailed in June of the current calendar year. Pursuant to the tax collector's 1998 annual report, required by R.S. 54:4-91, the total levy was \$98,678,480, with added and omitted assessments of \$213,082, for a total amount levied of \$98,891,562. Total collections, including senior citizen's and veterans – State share, amounted to \$98,317,745, for an actual collection rate of 99.42%. The underlying collection rate (net cash collections plus amounts paid by levy purchaser) were \$95,089,617 and \$3,228,128 respectively. Thus, the underlying collection rate was 96.155%.

TAX COLLECTION RATES							
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Projected Collection Rate	95.75%	94.80%	95.35%	95.58%	96.32%	96.40%	99.41%
Actual Collection Rate	94.34%	96.70%	94.30%	96.82%	97.32%	97.59%	99.42%
Over/(Under) Projection	-1.41%	1.90%	-1.05%	1.24%	1.00%	1.19%	0.01%
Total Tax Levy	71,715,576	78,275,940	78,479,983	86,028,454	90,326,768	93,530,765	98,891,562
Total Current Collections	67,656,243	75,696,686	74,003,855	83,289,331	87,907,161	91,274,392	98,317,746

Sale of Property Tax Levy

The city awarded the sale of its property tax levy for FY98 pursuant to Chapter 99 of the Public Laws of 1997 of the State of New Jersey. The city received two bids in response to the Notice of Sale, and awarded the bid to Warranty Federal Service Corporation for the amount of 100.5201% of the property tax levy resulting in a premium of \$504,497.26. The tax collector and chief financial officer provided the city council with a fiscal analysis of the impact of the sale of the property tax levy on the current city budget and projected city budgets for subsequent years, in accordance with Section 14 of the Act.

The city faced a major challenge when selling its property tax levy because it was only the second municipality to do so. The city had to essentially work from scratch in setting up reporting requirements, creating spreadsheets, and overall management and oversight of the cash inflow and outflow to/from the levy purchaser. According to the tax collector, the clerk assigned to develop and monitor the tax levy sale has done a commendable job.

The city had anticipated a premium around \$250,000 when it bid the levy for fiscal year 1999. Instead, the winning bidder offered \$75,500 as a premium reflecting, in part, the overestimation of interest income from delinquent taxpayers. The city overestimated revenue projections for receipts from delinquent taxes from \$150,000 in the introduced

budget to \$812,494 in the adopted budget. The financial impact of the bulk levy sale is that future delinquent tax revenue will decline as the result of the city realizing collections only from previously held municipal liens and bankrupt properties. Interest and costs on taxes also decline to about \$250,000 in future years. Conversely, the reserve for uncollected taxes appropriations declines from approximately \$3.8 million to approximately \$630,000. The reserve for uncollected taxes is based upon an estimate of 3% increases in non-municipal taxes (school and county levies) annually. The local purpose property tax increases from 1.184 in FY99 to 1.218 in FY2000 to 1.219 in FY2001 are solely based upon the reduction in the receipts from delinquent taxes and interest and costs on taxes, and future changes in the net reserve for uncollected taxes.

Surplus available for FY98 is limited due to a lack of cash surplus. Surplus utilization increased from zero in 1998 to \$2.7 million (4.14% of revenues) in 1999.

ANALYSIS OF SURPLUS							
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Beginning Surplus (7/1)	3,441,542	5,714,583	5,783,006	3,079,769	2,291,810	2,915,556	1,505,960
Surplus Appropriated	2,372,870	3,400,000	3,450,000	2,300,000	2,000,000	2,180,000	0
% Budgeted	68.95%	59.50%	59.66%	74.68%	87.27%	74.77%	0.00%
Surplus Remaining	1,068,672	2,314,583	2,333,006	779,769	291,810	735,556	1,505,960
Total Budget (Not Expenditures)	49,795,762	52,339,534	54,356,331	55,983,354	57,436,041	62,311,843	64,586,642
Unused Surplus/Budget	2.15%	4.42%	4.29%	1.39%	0.51%	1.18%	2.33%
Ending Surplus (6/30)	5,714,583	5,783,006	3,079,769	2,291,810	2,915,556	1,505,960	3,036,311

With the bulk levy sale, future receipts from delinquent taxes will be the result of the city realizing collections from previously held municipal liens and bankrupt properties. Future revenues from interest and costs on taxes will be reduced significantly as a result of the levy sale. The purchaser of the bulk levy will realize these monies which the city had previously collected through this account.

The Local Purpose Tax Rate rises in FY99 as a result of the reduction in the receipts from delinquent taxes account and interest and costs on taxes account and future changes in the net reserve for uncollected taxes. The collection rate is based upon a continuation of the 97.44% collection rate realized in SFY 1997.

The premium bid for the SFY99 levy was \$75,000, well short of the \$250,000 the city had anticipated. This is as a result of a lower than expected interest earnings from delinquent taxes. It appears that city taxpayers had elected to redeem their tax liens as a result of the bulk levy purchase, and subsequent interest earnings on the delinquencies fell below expected levels for the purchaser.

Recommendation:

Municipalities who take advantage of the advanced cash flow opportunities offered by Chapter 99 of the Public Laws of 1997 (bulk levy sales and accelerated tax sales) should ensure that all appropriate financial analysis be completed in order to fully ascertain the effects of such an opportunity after the one time “cash influx” of the first year of such a sale. Municipalities who choose to go forward should also determine the appropriate

amount of surplus that should be reserved for future years in order to assist in stabilizing the tax rate.

Budgetary Impacts of a Type I School District

Bayonne has a Type I School District, in which the mayor or chief executive officer appoints the members of the board of education. It also has a Board of School Estimate, consisting of two members of the board of education, and two members of the governing body, with the chief executive, of the municipality comprising the school district, approving all fiscal matters.

State school law (N.J.S.A. 18A:24-1, et seq.) permits local school districts, upon approval of a Board of School Estimate, and a bond ordinance of the municipality in a Type I School District, to authorize school district debt. Generally, no school debt may be authorized if the principal amount when added to the net school debt previously authorized exceeds a statutorily prescribed percentage of the average equalized valuation of taxable property in a school district. The city's school district limit on debt is currently 4% of the average equalized valuation, and the school district is within this debt limit. In a Type I School District, the municipality budgets for all school debt in the current fund budget. For FY98, \$5.6 million was budgeted for the payment of school debt.

Debt Service

The city's debt as of June 30, 1998, totals \$86,550,399. In a Type I School District, the city budgets for the school district debt service in the city's current fund.

	June 30, 1998	June 30, 1997	Variance
Bonds/Notes Issued			
General Obligation	26,227,439	17,229,003	8,998,436
School	44,959,600	40,695,600	4,264,000
Water/Sewer	0	4,656,719	-4,656,710
Bonds/Notes Authorized But Not Issued			
General	11,852,060	14,727,060	
School	3,511,300	1,569,300	
Water/Sewer	0	10,885,700	
Total Debt	86,550,399	99,763,382	

Net debt equals 1.23%, which is below the statutory limit of 3.5% of equalized valuations per N.J.S.A. 40A:2-2. The city's remaining borrowing power is \$57,095,926.

Of the total general obligation debt remaining, \$7.5 million are Fiscal Year Adjustment Bonds. The city incurred this debt when it changed the beginning of its fiscal year from January 1st to July 1st. This permitted the city to issue debt for current operating expenses for the adjustment period of six months.

The city's proposed 1998 fiscal year capital improvement program annual fund requirements is a planning tool, and on file as required by the Local Budget Law. For the years 1998 – 2003, the city anticipates \$10,146,000 in capital improvements. The city has also taken the opportunity of refunding its 1994 school bonds in 1998 in order to realize interest savings over the life of the issuance.

Budget

The city, historically, has not met the statutory dates for adoption of its budget (September 20th for state fiscal year communities) and the city's annual audit had not been completed in the time allowed by statute (within six months of the close of the fiscal year). For FY98, however, the annual audit (NJ-CAFR) was submitted in October, 1998. The city's budget adoption date reflected the considerable effort by city administration and council to adopt in a reasonable period of time. The budget adopted for FY99 lays the foundation of the future by relying less on one time revenues in balancing the budget. The budget also contains a municipal purpose tax increase, in part to wean the city from the influx of one-time revenues and provide for a contingency fund in the case of emergency expenditures.

The review team commends the city administration's considerable effort and commitment in adopting a budget and receiving the annual audit pursuant to statute.

The city had relied on over 15% of one-time revenues (\$9,812,444) to support the 1998 budget of \$64,586,642. The one-time revenues consist mainly of the lease payment for the water utility (\$8.6 million), and the sale of the municipal landfill (\$597,907). We can compare this to 2.7% of one-time revenues (\$1,469,814) to support the 1994 budget of \$54,141,331. This demonstrates a growing dependence on non-recurring revenues to balance a budget that has grown by \$10.4 million over the last four years. The city administration and council have shown recognition of this problem and has taken the following steps to decrease reliance on non-recurring revenues:

- The mayor and city administration have addressed the issue of a failed self-insurance plan by passing a resolution to return to the State Health Benefits Plan, reducing costs to the city by \$1.6 million annually.
- As a result of the bulk tax levy sale, the amount anticipated from delinquent tax collection is reduced by \$2.5 million. This loss of revenue is offset by a decline in the amount needed to be raised as a reserve for uncollected taxes, since the collection rate in 1998 was 99.41%.
- The city has decreased current fund budget appropriations \$1.8 million for SFY99 (\$62,785,958).

- A portion of the final payment due from the Bayonne Municipal Utilities Authority (\$2.33 million) has been set aside as a surplus amount.
- A zero based budgeting process has been initiated, resulting in essential programs being given priority, and all other programs carefully scrutinized for cost-benefit analysis.

The SFY98 budget included \$32,444,389 (49.7%) in salaries and wages, \$16,979,003 (26%) in other expenses, \$2,501,000 (3.8%) in BMUA reimbursements, \$10,000 in capital improvements, and \$610,000 (.9%) in reserve for uncollected taxes.

The budget also included \$4,470,565 (6.8%) in deferred charges and statutory expenditures, \$2,667,000 (4.1%) in municipal debt service and \$5,605,000 (8.6%) in school debt service. The overall budget saw a \$700,315 increase over SFY97, notably in the BMUA which was offset by BMUA revenues, and municipal and school debt service appropriations.

TAX DATA							
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Assessed Valuation	2,578,425	2,525,104	2,454,450	2,437,311	2,412,687	2,386,772	2,365,622
Total Delinquent Tax	5,548,843	5,244,760	6,786,808	5,947,542	5,379,552	4,737,023	3,065,735
Value of Properties Acquired thru Foreclosure	2,746,341	17,871,000	14,827,000	14,827,000	14,827,000	14,827,000	14,827,000
Municipal Tax Rate	1.04	1.09	1.11	1.12	1.11	1.04	1.09
Local School Tax Rate	1.07	1.27	1.51	1.73	1.86	1.96	2.02
County Tax Rate	0.62	0.72	0.76	0.78	0.88	0.98	0.95
Other (ex Fire District)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Tax Rate	2.73	3.08	3.38	3.63	3.85	3.98	4.06
W/S Utility Levies	9,733,047	9,300,619	9,618,862	8,729,816	11,102,551	2,759,338	2,723,066
W/S Utility Cash Coll.	9,809,792	9,301,581	9,506,981	8,755,070	7,790,217	6,663,418	2,131,102
Percent Collected	100.79%	100.01%	98.84%	100.29%	70.17%	241.49%	78.26%

The chart above demonstrates the rise in the local school and county tax levies from 1992 – 1998. The local purpose tax remained fairly constant as a result of utilization of one-time revenues to balance the budget.

TAX ASSESSMENT

A review of the city tax assessor's office revealed a myriad of problems that should be addressed as quickly as possible by city officials. Information gathered and analyzed from sources including the Hudson County Board of Taxation, the city clerk's office, the building department, and finance, among others, did not correlate most of the time. A great deal of time was spent trying to decipher which data is the most accurate and reflective in each situation. Therefore, the following report is compiled from what we believe to be the most accurate data gathered, or available.

City of Bayonne – Ratable Base			
	1998	1997	1996

Property Type	# Line Items	Ratable Base	#Line Items	Ratable Base	#Line Items	Ratable Base
Class 1	460	\$115,896,900	465	\$120,081,500	452	\$120,551,300
Class 2	10,682	\$1,420,315,000	10,691	\$1,416,748,075	10,698	\$1,422,583,500
Class 4A	1,257	\$334,541,600	1,265	\$341,351,600	1,275	\$348,200,400
Class 4B	149	\$383,241,000	150	\$397,192,100	149	\$409,213,900
Class 4C	324	\$100,440,700	324	\$100,605,600	322	\$100,485,100
Totals	12,872	\$2,354,435,200	12,895	\$2,375,978,875	12,896	\$2,401,034,200
Exempt Properties	569	\$1,258,097,400	550	\$1,257,420,200	543	\$1,258,336,400
Tax Rate (per \$100 of A.V.)		\$4.054		\$3.988		\$3.848
Equalized Ratio		96.59%		98.04%		94.73%
General Coefficient		16.62		18.93		21.84

A general overview of the last three years, indicated the ratable base for the City of Bayonne has been decreasing, losing \$46,599,000 (about 2%) in ratable value between 1996 and 1998 while the tax rate has increased \$.206 per \$100 of assessed valuation (about 5%) over the same time period. The majority of the loss in the ratable value comes from commercial and industrial tax appeals, which means that the residential tax base is more heavily relied upon to provide tax revenues to support city services.

The median value of housing in Bayonne is \$168,500, which is \$11,500 above the county median value of \$157,000 and \$6,200 above the state median value of \$162,300. Of the 26,468 total housing units in Bayonne, 14,398 are 2-4 units, 5,067 are comprised of 10 or more units, and 3,053 are one family detached homes. The median monthly rent is \$413, below that of the county (\$464) and the state (\$521).

Assessor, Office Staff, and Operation

The tax assessor has served in this capacity since 1993 and works full-time. He is supported by a full-time assistant assessor, who is also certified. The budget includes three assessing clerk positions, which do not work in the assessor's office but are charged to his budget. It appears that for 1999, one clerk has been transferred to the business administrator office, leaving two remaining clerks in the assessor's budget that are not assigned to his office. The total salary and benefit costs for the assessor's office totals \$206,602. The current staffing of a full-time assessor and one assistant assessor is insufficient to maintain a municipality of this size, based on standards of the International Association of Assessing Officers. These standards suggest that one additional full-time employee should be assigned to the assessor's office.

Recommendation:

We recommend that one of the two principal assessing clerks charged to the tax assessor budget be assigned to the tax assessor's office. The other principal assessing clerk should be eliminated.

Cost Savings: \$42,189

Property Record Cards

The property record cards are filed in a separate room that is shared by another department. The access to the files is difficult as the room is crowded with filing cabinets holding property record card data and other data from the other department. The files are unlocked and accessible to anyone. The files appear not to have been maintained with value changes, permit data, etc.

Recommendation:

The property record cards are officially considered a worksheet for the assessor and are the sole property of the assessor's office. The records should not be accessible to anyone. They should be easily accessible by the assessor and office staff, and kept in a secured area or locked filing cabinets. Maintenance of the records should be done on a regular basis with permit data, appeals, ownership data, value adjustments, etc.

Payment in Lieu of Taxes (PILOT) Properties

The tax collector's office has identified seven entities as participating in PILOT programs, as of March 13, 1998. These include the Bayonne Housing Authority, Bridgeview Manor, SSV II Leased Housing, Port Authority, Parking Authority and Plattykill Manor. Of the seven properties originally identified as PILOT properties in the three years reviewed, only one complete file could be produced whereby payments and eligibility could be verified. A partial file with an agreement for Bridgeview Manor was found, but no data substantiated the accuracy of payments received by way of sponsor reports indicating sheltered rents. Numerous efforts were made with various offices in the city to no avail. The town could not produce any records relating to the length of exemption or resolutions/agreements regarding the other PILOT entities. Efforts to acquire the information from the PILOT entities proved fruitless as there was a flood that destroyed all their records. These PILOT properties reflect multimillion dollar exemptions for the municipality. Some of these exemptions go back to the 1940s when normally they were

granted for a period of 25 to 50 years. The fact that the resolutions and contracts for eligibility could not be found indicates a strong possibility that eligibility could have lapsed and the municipality is losing money in ratables or in lieu of payments.

Recommendation:

It is recommended that Bayonne determine which properties are participating in the PILOT program, renegotiate agreements where eligible and set up complete files with the appropriate agreements, setting forth a duration of exemption, terms and schedule of payments. If this cannot be accomplished, then the properties in question should be added to the ratable base.

Added Assessments/Building Permit Data

Added Assessment Data				
YEAR	TOTAL LINE ITEMS	ADDED	OMITTED	TOTALS
1998	99	\$16,751,100	\$1,604,200	\$18,355,300
1997	23	\$9,695,900	\$596,200	\$10,292,100
1996	13	\$2,369,900	\$1,191,500	\$2,561,400
1995	8	\$1,612,100	\$234,800	\$1,846,900

Building Permit Data			
YEAR	TOTAL PERMITS ISSUED	TOTAL NEW BUILDINGS	TOTAL NEW ADDITIONS
1998	955	50	22
1997	591	11	18
1996	777	21	19

The records received from the building department listing the certificates of occupancy did not agree with the assessor's added assessment lists. A review of Bayonne's certificates of occupancy for the years 1995-1998 showed that the CO's were issued for new construction, additions and alterations, but the assessor's records do not reflect the increases in values for 45 properties.

The increase in total number of building permits for new construction and new additions has been reflected in the increased number and value of added and omitted assessments from \$1,846,900 for 1995, \$3,561,400 for 1996, \$10,292,100 for 1997, and \$18,355,300 for 1998. This is a positive trend for the City of Bayonne. Discussions with the tax assessor resulted in the understanding that a monthly review of building permits and certificates of occupancy issued by the building department are a critical means of increasing the city's ratable base.

Recommendation:

It is recommended that, with a full staff, the office would be better equipped to handle the amount of inspections necessary to add ratables from the building permit data and an effort could possible be made to pick up those ratables omitted in prior years.

Tax Appeals

The team analyzed the city's tax appeals and ratable loss over a four-year period. The state tax court data was compiled from two available files indicating losses credited on the 1997 and 1998 Abstract of Ratables by the Hudson County Board of Taxation.

County Tax Board								
	1998	1998	1997	1997	1996	1996	1995	1995
Property Class	# of Appeals	% of Total	# of Appeals	% of Total	# of Appeals	% of Total	# of Appeals	% of Total
Class 1	62	13.48%	35	7.53%	57	12.61%	39	8.78%
Class 2	448	4.20%	373	3.49%	657	6.14%	537	5.00%
Class4 A	182	14.48%	159	12.57%	217	17.02%	199	15.58%
Class4 B	14	9.39%	15	10.00%	30	20.13%	26	17.22%
Class4 C	24	7.41%	32	9.88%	4	3.04%	42	13.00%
Other			1		4		1	
Totals	730	5.67%	615	4.77%	1007	7.81%	844	6.53%
Ratable Loss	\$11.5 million	.49%	\$11.2 million	.47%	\$16.1 million	.67%	\$9.5 million	.39%

State Tax Court	
YEAR	TOTAL RATABLE LOSS
1997	\$34,941,600
1996	\$40,392,750
1995	\$15,861,256

Professional and Legal Tax Services

The City of Bayonne employs a legal department that handles county and tax court appeals. The city also contracts for outside professional appraisal services and legal services relating to these county and tax court appeals. The expenditures for these areas over a three-year period are as follows:

<u>Professional Services</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>Totals</u>
Appraisal Fees	\$51,825	\$42,260	\$43,740	\$137,825
Legal Fees	\$18,787	\$88,175	\$121,113	\$228,075
Totals	\$70,612	\$130,435	\$164,853	\$365,900

In analyzing billing records submitted for both appraisal fees and legal services, it appears that the amounts are excessive. Of particular concern were the hourly rates paid to one legal firm. Almost 95% of all tax court appeals handled by both law firms were allowed to remain open and continuously billed over a period of years, finally to be stipulated, resulting in significant losses

to the city. It appears that the city might receive a more equitable return on the dollar by handling the majority of tax appeals in house.

Recommendations:

We recommend that a system be established, originating in the tax assessor's office, and in conjunction with the existing city legal staff, prioritizing appeals to be handled by outside vendors. We estimate that 80% of the tax appeals could be handled internally by the city.

Cost Savings: \$131,882

We recommend that professional service contracts should be obtained through competitive proposals to ensure that the city receives a competitive rate for service. We also recommend proper oversight through the assessor's office, business administrator's office, finance office and the legal department to limit the time spent tax court appeals that remain open for years.

Coefficient Analysis

During the last three years, the city has experienced a deviation of some five points in its general coefficient. Considering the ratable losses experienced each year, primarily due to tax appeal reductions, and in an effort to maintain stability, the city should seriously consider an update of commercial and industrial values. This could be accomplished in-house and under the direction of the assessor's office. As part of our review, it was brought to our attention that the city had to authorize bonds in the amount of approximately \$17 million to cover refunds resulting from, in most cases, stipulated tax appeal losses. Periodic updates which reflect valuation shifts would be a major advantage in attaining budgetary stability.

ECONOMIC DEVELOPMENT

Bayonne is facing a nearly unparalleled economic development opportunity with the advent of the Light Rail and the future redevelopment of the Military Ocean Terminal. There are currently three agencies within the City of Bayonne that have "missions" relating to economic development. These agencies include the Bayonne Economic Development Corporation (BEDC), created in 1987, the Bayonne Town Center Management Corporation Special Improvement District (SID), created in 1990, and the Local Redevelopment Authority (LRA), created in 1998, each of which has their own very specific agenda.

As has been found in other city departments, the above agencies do not appear to be working hand in hand but rather, seem to be working independently with little input from the other agencies. Within the city's administrative table of organization there is no department or division involved with, or directly overseeing, economic development activities. This is an omission in the city's organizational structure, particularly a city of this size and commercial/industrial makeup, which has limited the city's involvement with, and ability to capitalize, on state and federal economic development initiatives.

There is a need for the various missions of these agencies to be reevaluated in light of the opportunities the city is now being presented with. In addition, the performance or non-performance of these agencies, based upon their stated missions, needs to be critically assessed. There is the potential for significant cost saving through the paring

down of administrative budgets and possible melding of operations. Each of these agencies will be discussed separately and in the order of their creation.

Bayonne Economic Development Corporation

The Bayonne Economic Development Corporation (BEDC) was created in 1985 to provide financial and technical assistance to businesses located in the city. Their current staff consists of four full-time positions including a director, assistant director, loan manager, and an executive secretary/assistant.

Funding for the BEDC is provided through the city's Community Development Block Grant Program. There is also program income from their loan portfolio. The BEDC budget year runs from November 1st through October 31st. According to previous BEDC budgets provided to the team by the BEDC office, administrative costs for the BEDC totaled \$165,000 in 1996 and \$179,000 in 1997, and \$66,000 and \$87,000, respectively, for other expenses. The remaining funds, approximately \$200,000-\$250,000 per year are earmarked for the loan program the BEDC is charged with administering.

A review of the original agreement between the BEDC and the city, which is the only agreement provided to the team, dated November 25, 1987, indicates that the BEDC has only marginally fulfilled the mission with which it was charged. The BEDC was created to assist with the growth and development of small businesses and furthering economic development in the city. In addition, they were to promote the city's commercial façade program, and also to determine what role they might play in implementing recommendations based on prior studies that had been done on the revitalization of the city's commercial and industrial areas.

We recommend the agreement between the BEDC and the city is reviewed, re-evaluated, and revised to better address the city's current economic development needs.

The small business loan program administered by BEDC provides loans to qualified applicants of up to \$25,000 at 5% for terms up to seven years. Inquiries by the team and research by the staff eventually provided information indicating that 58 loans had been approved since 1989. It was evident during the review that the BEDC staff does not maintain adequate records.

An analysis of the information provided indicates that an average of 5.8 loans per year have been given out in the last 14 years. The combined total amount of these loans provides an annual program average of, approximately, \$130,000 given out per year. In the last four years, five loans or less have been given out so the average annual amount of loans is even less than the program average, and is, approximately, \$112,000 per year.

In recent years, the BEDC has been spending over \$200,000 per year for salaries, administrative costs and other expenses to "administer" less than \$130,000 in loans per year. It was also determined that the BEDC has over \$375,000 of CDBG funding allocated to them for the loan program, from prior budget years, that has never been spent. In addition, it was learned that the city's CDBG program provided an additional \$200,000 in funding to the BEDC for their loan program for FY2000, even though they have not spent the money previously allocated to them.

Recommendations:

We recommend the staff currently allocated to the BEDC be reduced. We recommend elimination of two positions leaving the director and the administrative assistant to handle the current loan program and any other initiatives the city deems necessary.

Cost Savings: approximately \$65,000

We also recommend consideration be given to transferring the BEDC function to the LRA within a specified time period. This would eliminate the need for multiple administrative staffs and

expenses, and consolidate the economic development activities within the city into one central office. This could include the transfer of some of the remaining BEDC staff to the LRA.

Cost Savings: \$20,000(CDBG)

We also recommend the city CDBG program not provide additional funding to the BEDC/loan program until such time as the BEDC successfully markets their loan program and interest in the program warrants such additional funding.

Cost Savings to CDBG budget: \$200,000

The maximum loan amount of the small business loan program was raised in 1998 to \$50,000. This is only allowable under the condition that a local bank is providing additional funding above and beyond this amount. According to staff, the city has given out one or two loans at this increased amount. This new undertaking is referred to as the Loan Participation Program. To date, only one bank has agreed to participate in this program. It appears this increase in the base loan amount was in response to a lack of interest/participation in the program and was seen as a way to use the money that has been sitting unused.

Recommendation:

We recommend the city carefully evaluate the rationale in increasing the loan amount and insure that the program is being marketed to the individuals it was intended to serve.

The original agreement between BEDC and the city indicates that a revolving loan fund is to be created from loan repayments, unless this money is specifically identified and approved for use in another manner. No information on a revolving loan account was provided to the team by the BEDC staff, however, there is money identified in the budget as income.

The interest rate at which they currently loan money is 5%. It was indicated to the team that most loans are current in their payments, except a few of their loan clients who are slightly behind schedule. There is, apparently, no penalty for clients that are late or behind in their payments. The default rate on their loans was indicated to the team as being minimal, however, no documentation was provided to the team to substantiate this statement or to indicate the actual default rate.

Recommendation:

We recommend a policy on loan defaults be created, if, in fact, one does not exist.

A Kean University business professor is available every Tuesday from 9:00 a.m. to 4:00 p.m. in the BEDC office to assist individuals, interested in starting a local business prepare a business plan. This service is provided free of charge to the city and to the loan applicants. When the team asked why this service was not included in the BEDC information pamphlet, the staff was not able to provide a reason and indicated the pamphlet is out of date. It was also learned that this service has not been publicized and the current BEDC staff had no plan to advertise this service.

Recommendation:

We recommend the BEDC take advantage of this opportunity and advertise this free service to better serve the target audience of the loans.

It is obvious to the team that the BEDC has not been the success it could and should be. It does not appear that the staff in the BEDC office has a handle on what the BEDC has done in the past and what information may be available. The record keeping appears to have been limited, as the current staff is not able to easily pull information

together. This is difficult to understand since each employee has a new computer setup on their desk, however it appears that management in this office has been unfocused for years. The current director, who came on board in the fall of 1998, indicated he is new to the field of economic development. It was also learned that none of the other staff members has had prior experience in economic development.

The BEDC does not have a list of properties that might be considered contaminated or to be targeted for redevelopment. An inventory of these types of properties would help them to target sites and apply for available grant funds through the state and federal government. The environmental officer, located in the Health Department, has been working with environmental consultants to obtain grants from the NJEP HDSR Fund. This should be a coordinated effort with a plan in place to identify sites to be targeted for investigation and redevelopment.

Special Improvement District (SID)

The city levies, collects and remits Special Improvement District taxes for the Bayonne Town Center Management Corporation. The SID assessment taxes are derived from assessments collected from the members within the SID, which is located along Broadway between 19th and 27th streets. The special assessment money, which totals, approximately, \$145,000 annually, is paid to the city through the quarterly real estate tax bills. It is then forwarded to the Town Center Management Corporation on a quarterly basis.

The Town Center Management Corporation contracts with a management firm for management of the SID. In addition, they also have an administrative assistant on staff. The current budget, approximately \$160,000, indicates that nearly 50% of the Management Corporation's budget is designated for administration and expenses. The SID also receives funding from other sources, including grant programs and rental income.

Recommendation:

It is recommended that the SID annual budget should not exceed the amount collected through the special assessment tax, since the tax is the only guaranteed source of income for the SID.

It seems, from numerous interviews, that there is a real interest in expanding the SID to include a much larger length of Broadway than is currently included. As the SID was originally structured, the Board of Trustees also included representatives from the business districts to the north and south of the SID, however, these members are non-voting members.

Local Redevelopment Authority

The city created the Local Redevelopment Authority in the summer of 1998. The BEDC director feels the LRA and the BEDC have different missions, however, he was not able to expand on this belief. The LRA has the ability to bond while the BEDC does not. See discussion following this section on the LRA.

The assistant director had previously managed the loan program before the new loan person was hired. He formerly worked in a bank but not on the loan end. He wanted someone who could do loans specifically. He is currently creating a list of properties Hudson County Economic Development has a site locator program, a database for information. He also wants to create a website to include info on their program and the Military Ocean Terminal.

The existence of the BEDC and LRA is both duplicative and unnecessary. The LRA wields the greater power of the two, having the ability to bond. Both of their missions are essentially the same, however, at this time the LRA is site specific to the MOT. This does not have to be the case.

Military Ocean Terminal

Military Ocean Terminal

The Military Ocean Terminal is comprised of 437 acres of land and 242 acres of water. It is located in the eastern portion of the City of Bayonne, on a man-made peninsula, and is accessed

by private road off NJ State Route 169. It extends nearly two miles into New York Bay, has active rail access, and has been a military facility since 1942. The views of New York City, the Verrazano Narrows Bridge and the Statue of Liberty are spectacular.

In 1995, the Army declared the MOT excess property and discussions began between the federal government and the city regarding the city taking over the facility. The Base Reuse Commission was created to formulate a plan for the site's future use, and included members of local, state and federal government agencies. Upon completion of that plan in early 1998, the Base Reuse Commission's mission was fulfilled. In the summer of 1998, the city created the Local Redevelopment Authority whose mission was to begin implementation of the redevelopment plan that had been prepared. The Department of Defense has provided a grant to establish offices for the LRA and provide funding for staff.

The original redevelopment plan created for the MOT included entertainment uses as the major focus, however, amendments to the plan have refocused the redevelopment of the MOT towards commercial and industrial uses, as well as some residential and entertainment/cultural uses, including the battleship New Jersey. The MOT currently has warehouse space totaling over 3 million square feet, open storage areas totaling over 3.5 million square feet, and, additionally, has an administration building, a firehouse, on-site housing used by the military personnel, and recreational facilities. The site also has its own generating facility, as well as other utilities.

The warehouses that exist do not meet the current building code and, if reused, will require significant investment in improvements to bring them up to today's standards. The berths that exist on the site are in various states of disrepair, and more importantly, these berths have no cranes in place to handle port related activities and cargo off ships. Redevelopment of the base will have a significant impact on the city in many ways, but will also substantially impact its building department, planning and zoning staffs. The numbers of permits to be issued for new construction and/or alterations to the existing facilities are anticipated to be significant.

It is anticipated that the city will take over the utilities of the site in 1999, with responsibilities for the water, sewer and drainage facilities being handled by the city's Municipal Utility Authority. Other utilities will be taken over by PSE&G. The Army will officially be pulling out in September, 1999, and the official transfer of the property is scheduled for July, 2001.

COMMUNITY DEVELOPMENT

Community development is under the direction of the mayor's office. It is not a department, however, discussions with the staff during the course of the team's review indicate that the administration is working to change that. Quite often, in larger communities, the Community Development Block Grant (CDBG) Program will be found within a "planning" department. However, the city does not have a planning department, nor does it have a planner on staff. A secretary handled the planning and zoning board functions and also reported directly to the mayor's office. During the course of the review, the responsibilities for these boards were reassigned to a secretary in the uniform construction code office, which is under the community development office.

In early 1998, the city's engineering department was dissolved and the city contracted with a private consulting engineering firm for municipal engineering services.

Community Development Block Grant (CDBG)

The city receives approximately \$2.4 million a year in CDBG funding. The Community Development Block Grant Program, according to the city's table of organization, falls under the mayor's office and is not a department in and of itself. In FY98, costs for salary and wages totaled \$348,610, benefits totaled \$116,858, for a total cost of \$465,468. At the initiation of the review, there were seven full-time staff members including a director, senior accountant, senior loan advisor, supervising account clerk typist, chief housing inspector, program coordinator redevelopment and a senior clerk typist. During the course of our review, two staff members were either laid off or reassigned to other departments.

The city also has two professional service contracts to assist with the processing of the CDBG program application and documentation, as well as to facilitate overall federal grant applications. The individual who assists with the overall program development and administration appears to provide a wealth of information and assistance to the city. The need for the city to have a second firm, located in Washington D.C, to provide legal services to assist with federal grants is unnecessary. This type of legal service is one that could be provided in-house by the city's attorneys.

Recommendation:

We recommend the city eliminate the professional services contract for legal services and assign this work to the city attorney.

Cost Savings: \$30,000

The CDBG office, in addition to program administration, handles various rehabilitation grant and loan programs in-house, including multi-family rehab, a commercial facade program, housing inspections related to the rehab programs, and the city's Geographic Information System (GIS) program. There are two individuals handling the multi-family rehab grant and loan programs. It was observed that meetings with applicants for these programs were very sporadic and that on a daily basis the work involved is inconsistent. Although the amount of funds provided to these programs totals over \$800,000, it appears that two full-time staff positions are more than necessary to handle the level of work involved. A reduction in the staff time allocated to these programs could result in either a reduction in staffing or a productivity enhancement through the reassignment of other duties to these staff persons. During the team's review, the clerical support person for the community development office was reassigned to the UCC office and one of the loan program administrators was assigned the clerical support work for the office.

We commend the city for reassessing the staffing levels in response to the team's discussions and implementing changes in staff assignments and work allocation to enhance productivity and reduce the number of staff.

Cost Savings: \$35,916

The team noted that the rehabilitation moneys mentioned included funding for a commercial façade program. This program was at one time supposed to be handled by the Bayonne Economic Development Corporation (BEDC). Discussions with the BEDC indicated that they did not administer any such program.

Recommendation:

We recommend that, should the city decide to continue its agreement with the BEDC, that the BEDC take over responsibility for the Commercial Façade Rehab Program.

Grants Administration/Accounting

The city indicated their need for a grants manager to handle the financial aspects of the many grants that they receive. There is currently a senior accountant handling the accounting and financial reporting for the CDBG program, which involves over \$2 million in federal funds. The position of grants manager for the City of Bayonne could easily fit into the structure of the CDBG program with its senior accountant position. The additional duties

associated with this position would include only the financial reporting required by grantors, not program monitoring or reporting. The staff was very receptive to this idea and was attempting to implement this suggestion during the team's review.

Recommendations:

We recommend that the city create the position/title of grants manager. We also recommend that the duties associated with this position be assigned to the individual currently handling the city's CDBG accounting and financial reporting. We commend the CDBG director for attempting to implement this recommendation in such an expeditious fashion.

Value Added Expense: \$3,000 - \$5,000

Uniform Construction Code (UCC)

The UCC office was previously part of the city's engineering department. The engineering department was dissolved in early 1998, and the UCC office, which includes the zoning function, was left to report directly to the mayor's office. In FY98, salary and wages totaled \$267,230, benefits of \$77,247 and other expenses of \$70,000 for a total cost of \$414,477.

Evaluating the budgets of this office, and that of the engineering department, for the three years prior to this review, proved to be quite difficult. The engineering department's dissolution was a slow process. Prior to UCC being on its own there was no separate working budget for this office's function. According to the financial reports submitted to DCA, revenues for UCC in the last three years did not always cover the expenses of the function. Additionally, a review of the city's annual reports submitted to DCA in conjunction with a review of the city's audit report indicated that there are significant inconsistencies between what is in the city's audit report and what is reported on the UCC annual reports.

Recommendations:

We recommend that the city review and improve its tracking of UCC fees collected and expended, and make every effort to submit correct and accurate information to the DCA.

We recommend the city take advantage of the staffing assistance available to them through the DCA's Bureau of Regulatory Affairs, and have DCA staff train the city staff in tracking fees collected and expended, as well as correctly filling in the annual reports to be submitted.

Using the information submitted to DCA, an analysis of the UCC annual reports filed with DCA indicates the UCC function had a deficit of \$55,503 (16.5%) in FY98, a surplus of \$87,715 (28%) in FY97, and a deficit of \$4,985 (2%) in FY96. This leaves the city with a modest surplus of \$27,227 for the UCC function over the last three years. It appears that the deficit shown in 1998 was a result of poor record keeping and an inadequate filing system. The city uses a form, created in-house, to report fees collected on a monthly basis to the city's tax collector. This sheet includes lines for sidewalk permits and container permits, neither of which is UCC related. This has apparently contributed to the confusion and inaccurate reporting of fees.

Recommendation:

We recommend that the city utilize the state issued UCC forms for tracking fees, permits and reporting purposes, and that it is submitted to the city tax collector for tracking purposes, and city administration for notification purposes.

During the fall of 1998, the city adopted a resolution establishing a trust fund, through a dedication by rider, per N.J.S.A. 40A:4-39, for the UCC fees collected. Staff indicated to the team that the city had, in years past, passed a similar resolution. Prior year UCC annual reports had included funds in the trust account portion of the report. Unfortunately, no one was able to find a copy of this prior resolution. Using a dedicated trust fund for these fees will help to facilitate the tracking of funds.

At the time of the team's review the UCC office had some major staff changes including resignations and reassignments of personnel. The electric sub-code/building inspector was named the acting code/building sub-code official and was continuing to perform all jobs for which he is licensed. In addition to the ACO, there is a full-time building inspector and two clerical positions. One of the clerical staff was also given planning and zoning board duties to handle, thereby reducing the full-time support staff available for the UCC function. In addition to the full-time staff, there are two part-time inspectors, including fire and elevator, and one temporary part-time plumbing inspector.

The Department of Community Affairs, Regulatory Affairs Unit, performed a staffing and financial analysis of the city's UCC function during the team's review. The staffing analysis determined that the city was short staffed in hours needed for the plumbing sub-code, building inspection, and building and electric sub-code areas. This is partially due to staffing changes that took place during the course of this review. During the course of the review the city hired a construction official who also holds a plumbing sub-code license. UCC occasionally uses an individual from the community development office, holding the necessary building inspection license, to assist with inspections. This individual is normally responsible for performing

inspections for the rehab programs administered by the CDBG office. Based on the team's observations and discussions with the staff, the number of inspections required for the rehabs did not appear adequate to justify it being a year-round full-time position.

Recommendation:

We recommend that the city utilize the employee from the CDBG office, who holds the necessary license, to fill the additional necessary hours required in UCC.

Using properly licensed in-house staff, when possible, to augment the UCC staff, is one way for the city to reduce the number of additional full or part-time staff needed. This would be a very prudent move on the part of the city and one that will work to its advantages.

Recommendation:

We recommend that the city consider hiring full-time employees with dual licenses to cover as many of the required code positions as possible.

The number of inspections performed by the inspectors was brought up as an issue during the interview process. The DCA Regulatory Affairs Unit provides estimates as to number of inspections per day that should be performed by the various licensed officials in the UCC office. According to that information, inspectors in an urban area such as Bayonne should be able to perform a minimum of 8-10 inspections per day. This number does not include non-UCC related inspections such as certificates of occupancy for resale of homes. According to information provided to the team, there are inspectors in Bayonne who perform five or less inspections per day on a regular basis. This number of inspections is an inefficient use of a full-time position. Management of this office needs to be more aware of the inefficiencies of its staff and make changes accordingly.

Recommendations:

We recommend a workload analysis be performed to determine if an adequate number of inspections are being performed by the various inspectors, based upon the estimated minimum number of inspections provided by the DCA formulas.

We also recommend that the UCC office better track the number of inspections being performed by its inspectors to insure that employees are performing adequately in their positions. This will help to more accurately assess the number of inspectors needed by the office.

The Division of Community Affairs (DCA), Division of Codes and Standards, requires monthly and annual reports be submitted by municipalities. Bayonne had been behind in its reporting and its computer equipment and software was significantly out of date. During the course of this review all outstanding reports were submitted, and the city was up to date and in compliance with its monthly reporting to DCA. In addition, during this time period, the UCC Office was attempting to update the computer equipment in the office where possible, and had DCA come in to update the UCCARS software program it was using. It also had DCA provide the necessary computer training for this new software to the UCC staff, as well as staff from other departments needing access to this information.

We commend the UCC Office for working to upgrade its computer equipment and UCCAR software, and for bringing in DCA training specialists to immediately train the UCC staff. We also commend it for inviting personnel from other city departments to participate in the training sessions.

Recommendation:

We recommend that the city include an evaluation of the UCC technology issues in its formulation of a city-wide technology plan, and that the city use surplus generated by the UCC fees collected, as permitted by law, to upgrade and update the equipment available to the UCC staff as needed.

The team noted on numerous occasions, especially during lunch hours, that the telephones in the UCC office were left unattended and/or unanswered. This was primarily due to the clerical staff being allowed to take their lunch hours at the same time rather than staggering them. A sign was put up during the review stating that no permits would be issued from 11:30 a.m. to 1:30 p.m. This is peak lunch hour and, for some individuals, the only time they may come to City Hall. Closing any office for two hours, for the convenience of the staff, when there are workable solutions, is unacceptable and does not provide the customers with the service they need and deserve. The non-answering of phones and non-issuance of permits also occurred when there were inspectors in the office. The team was told that this was not “their job” and they didn’t have to answer the phones. This attitude was not universal among the UCC office staff, but did exist with some.

Recommendations:

We recommend the UCC office stagger the lunch hours of its clerical/support staff to insure that lunch hours are covered. In addition, we recommend that the licensed UCC staff be advised as to how to assist customers at the counter and on the phone, should a support staff person be unavailable.

The DCA Division of Codes and Standards also reviewed the city’s UCC fee ordinance, last revised in 1996, as part of their evaluation of this office. They discovered a number of fees listed in the ordinance that are not allowed according to the UCC administrative code. The permit fee charged, per cubic feet at \$.02, is low when compared to other urban communities.

Recommendation:

We recommend the city review the UCC fee ordinance in its entirety to determine if the fees being assessed are allowed by law and that fees charged are sufficient to support UCC operations.

One of the UCC support staff has taken on the responsibilities as secretary to both the zoning and planning boards. According to the DCA staffing analysis, the UCC function requires 2.3 support staff positions. However, due to these added responsibilities there are now only 1.5 support staff positions available to the UCC function. The zoning and planning board duties are most likely a half-time position and the team believes changes in the overall functioning of these boards can be improved and simplified. (See planning and zoning sections for additional information on this.) This individual had been fully paid out of the UCC budget. Should she continue with planning and zoning duties, unrelated to UCC, her time should be appropriately charged elsewhere.

Code Enforcement/Housing Inspections

The city’s code enforcement/quality of life inspections seems to be scattered among different departments. Given the age of the housing stock, changing nature of the community, aging population, etc., having a strong code enforcement/housing inspection function makes sense for an urban community such as Bayonne. In late 1998, the city discontinued its participation in the State/Local Cooperative Housing Inspection Program, also known as SLCHIP, and eliminated the housing inspection function, which was at one

time under the engineering and/or health departments. The multi-family inspections, formerly done by city employees, are now being done by the state. When the city performed the inspections, they were reimbursed per inspection by the state. The city felt the layoff of these inspectors was necessary as the state reimbursement was not sufficient to cover its inspection costs. The team feels the city should reevaluate this situation. Conditions of rental units have a measurable effect on the housing stock and property values of a municipality.

Many comparably sized communities require that rental units be registered and inspected for an annual fee. Many urban communities do this as part of their code enforcement function for CDBG households. Unfortunately, Bayonne does not have a strong code enforcement function in place. There are approximately 15,000 multi-family residential units in the community. Under SLCHIP, city inspectors visited approximately 3,000 of these units annually. This number does not include rental units found in two family homes. The city may want to consider a registration and inspection program for these units as well. Implementation of such a program would require a strong code enforcement function and appropriate personnel. LGBR suggests phasing in the rental registration program over a period of three years, using DCA records to determine which residential units are due for inspection this year.

Recommendation:

We recommend that the city create an ordinance establishing an annual residential rental registration program and associated inspection fee of \$50 per unit for the approximately 15,000 rental units in the community. The city could consider phasing in this program, inspecting 1/3 of the rental properties annually, so that all rental properties are inspected at least once every three years initially, with the goal being annual inspection of all rental units in the city. This would require a strong code enforcement function and appropriate personnel. The estimated salary cost for two entry level inspectors is \$65,000.

Revenue Enhancement: \$250,000

Value Added Expense: \$65,000

Zoning/Planning

It appears the planning and zoning functions for the city have been largely ignored for a number of years, and treated more like the proverbial stepchild rather than as an integral part of the city's service delivery system. This lack of attention has resulted in years of lost revenues and questionable handling of land use matters.

The city has a part-time zoning officer on staff. The city has relied on an outside professional planning firm to assist with routine planning matters. The city's master plan, which is required by law to be updated every six years, was last revised in 1990. The master plan includes the critical elements of a land use plan, housing plan and a redevelopment plan. These are areas of great importance to redevelopment efforts currently taking place in the city. The master plan issue was discussed with members of the planning board, since there is no one on staff directly involved. The team was told that the board had made preliminary comments on the master plan update last year but the document has not yet been revised.

Recommendations:

We recommend that the master plan be updated as soon as possible. Careful consideration should be given to the future direction of the city to allow for appropriate redevelopment. Due to the lack of technical expertise on the part of the city staff, we suggest the Office of State Planning be contacted for technical guidance.

We also recommend that either the community development director or the zoning officer be the staff contact to spearhead completion of this task.

The zoning office is located in the same office area as the UCC function. The zoning officer is responsible for interpreting the zoning ordinance and determining which board, zoning or planning, applicants will appear before. The zoning officer is the only “professional” type position on staff, related to planning and development, as the city does not have any other planning professionals. The city does have professional service agreements with both planning and engineering firms. These firms assist with the development review process; however, until these firms receive the information submitted, all other related responsibilities are left with the secretary of the boards and the part-time zoning officer. These professional service contracts have totaled, approximately, \$30,000 per year. Zoning boards are required by the Municipal Land Use Law (MLUL) to prepare an annual report on their activities. The zoning board has never prepared such a report.

Recommendation:

We recommend that both the zoning board and the planning board prepare monthly and annual reports of their activities to the governing body and administrator. While the law only requires an annual report be done by the zoning board, having the planning board also prepare such a report would provide the members and the governing body with useful information as to number and types of applications, fees collected, etc.

The city has had a number of different individuals acting as zoning officer in the last few years. This has had a negative impact on the continuity of the two board’s application processes, as well as the city’s ability to correctly process the applications. These duties and responsibilities have, as a result, fallen on the shoulders of the clerical support to the boards. This has resulted in the clerical staff being required to perform tasks that it is neither qualified nor experienced to handle. A professional staff member with the appropriate knowledge and experience should handle these tasks.

A review of the planning and zoning board files revealed a number of significant problems with methods the city used in its applications. For years, fees collected for planning and zoning applications were not in conformance with the city’s adopted fee schedule. Applicants were being charged \$75 for an application and \$85 when the application also included a variance. Application fees should have been in the hundreds and, occasionally, thousands of dollars when assessed. When the team attempted to determine how much revenue the city lost, it was discovered that a number of applications had not been correctly processed, making a determination as to lost revenues between 1994 and 1998 too involved a process for the team to undertake. It was in late 1997 that the secretary to the boards actually discovered they had not been charging appropriate application fees. This was discovered due to her own initiative in taking classes at Rutgers for board secretaries. Unfortunately, as there was no professional on staff at this time, the applicants were then only being charged for preliminary application fees and not for the final application fees as well, since both were being held on the same meeting date. Lost revenues due to this oversight, in the first quarter of 1998 alone, was approximately \$2,500.

Recommendations:

We recommend that an educational program be put together for the planning and zoning board members as well as for the city staff involved in the planning and zoning processes

to educate the board members on their roles, as well as to inform them on updates and changes to the Municipal Land Use Law.

Value Added Expense: \$1,000

We recommend that the city zoning officer, or other professional staff when hired, take a more active role in the zoning and planning board application acceptance and review process to insure that the appropriate application fees are being charged.

Revenue Enhancement: \$10,000

We recommend that the city hire a professional planner, with significant experience working with planning and zoning boards, to revamp the current application and meeting process and to assist the zoning officer in the processing of applications. Monies generated through correctly assessed application fees could fund the salary needed.

Value Added Expense (from escrow monies): \$40,000 - \$50,000 for new position

We recommend the city discontinue the professional service contracts with the planning and engineering firms as they are currently structured and, instead, use the professionals on staff to review the development applications that are submitted, only using outside consulting services when serious technical issues are involved. This cost savings is from escrow monies received from applicants and not from city budget appropriations.

Cost Savings: \$30,000

Interviews were held with members of the zoning board at which time it was learned that the zoning officer does not attend zoning or planning board meetings. This is a fairly unusual circumstance. This leaves the board members without input from the staff during the course of the meeting on the applications before them. Individuals from the private consulting firms, under contract with the city, attend meetings if necessary. It was unclear from a staff discussion who actually determines when it is necessary for them to attend. One of the reasons given for staff not attending meetings, is that the city instituted a no comp time policy due to past problems, and has significantly limited approved overtime. It was learned that the city has not created nor implemented a comp time policy which would allow the appropriate staff members to attend meetings.

Recommendations:

We recommend that the city administration formalize the necessity of attendance of city staff at meetings.

We also recommend that the zoning officer or other professional staff be charged with determining when it is necessary for an outside professional service firm to review an application or to attend a meeting.

The city, as allowed by N.J.S.A. 40:55D, collects escrow moneys from applicants and developers for the review of development applications. The city has in place an ordinance outlining how escrow fees are to be calculated, which has evidently been handled by the outside consulting firms. It appears, however, that the consultant for the city has occasionally deviated from the escrow ordinance, in determining the fees to be collected.

No apparent rationale or justification for the deviations was provided in the applicant's files.

A review of the records for the last two years indicated that the city collects on average, approximately, \$60,000 per year in escrow fees from applicants. There are three separate accounts that the city uses for developer escrow moneys. There appears to be a running year end balance in these accounts of approximately \$150,000. Unfortunately, the record keeping for these funds is not organized, and ascertaining to whom this year end balance belongs was not possible in a short period of time. Funds remaining in this account are supposed to be returned to the appropriate applicants once their reviews have been completed.

Recommendation:

We recommend the city determine appropriate refunds to applicants from escrow accounts, and provide refunds as appropriate. Funds for which the city cannot locate the owner are to be presumed abandoned and should be handled accordingly. We also recommend that the city review with the attorney and CFO the requirements of 40:55D-53 to 53.3 regarding fees, escrow accounts and billing and set up procedures accordingly.

One of the escrow accounts is called the Site Plan Pre-Approval account. The money collected is evidently an application fee for the pre-approval review. If the applicant is encouraged to apply to the regular board, the money collected for the pre-approval review is credited to their escrow charges. If they are discouraged from applying, the money is kept by the city and not returned to the applicant. Because this money is being put in an escrow account, it is not available to be put in the current fund at the end of the fiscal year. Charging an application fee would enable the city to collect the funds and not expend staff time trying to return moneys to applicants at the end of the process, reducing the paperwork involved.

Recommendations:

We recommend that the city eliminate the site plan pre-approval escrow line and, in keeping with what they are actually doing, charge an application fee for this pre-approval review. If the review requires the involvement of a professional engineer, the applicant could either be charged an additional fee or encouraged to submit a formal application to one of the boards.

We also recommend that the city have only one developer escrow account into which moneys are deposited. The number of applications handled by the city is fairly minimal so record keeping should be made easier with one account. Depending on how these accounts were originally set up, this may require a resolution to combine the accounts into one developer escrow account.

Firms for planning and zoning board legal services are typically chosen without benefit of competitive contracts. Although the Local Public Contracts Law does not require competitive bids for this type of professional service, competitive bidding would assure the city that it was getting the services at a competitive price. The attorney for the zoning board is actually considered to be on staff, works part-time only on zoning board matters, and does not receive benefits from the city. It appears this arrangement works fairly well for the city at this time.

A review of the professional service agreement and resolution for the planning board legal services concerned the team. The most recent agreement for the planning board legal services specifies that the legal firm will be paid \$10,000 annually, \$833.33 per month, to perform administrative duties not related to any specific application before the planning board. Monthly invoices, not detailing any specific work performed, are submitted for payment. The agreement indicates that other work, including litigation and work specific to applications before the board, will be charged at \$125/hour. It was not clear to the team what administrative duties the legal firm was performing since it was specifically indicated as not related to board applications. There was no one on staff able to clarify this issue for the team, as there is no staff member involved with preparing the agreements for the board. In prior years, agreements for the planning board's legal services did not include this inexplicable provision.

Recommendations:

We recommend that the agreement for professional legal services for the planning board be revised to be more specific as to the duties to be performed. We also recommend that the city discontinue payment on a monthly basis for legal services.

Cost Savings: \$10,000

It appears to the team that the scattered redevelopment efforts taking place in Bayonne are driving what little planning process the city has, rather than a sound and appropriate planning process facilitating the city's redevelopment. Zoning has, in many areas, followed historic trends rather than serving as a plan for the city's revitalization. While this is true in many older cities, however, this is a very important and critical time in Bayonne's redevelopment future with the coming of the light rail and the redevelopment of the Military Ocean Terminal. (See also discussions under economic development.)

Recommendations:

We recommend that the city carefully analyze the level of development and redevelopment efforts taking place and that they staff the planning "function" adequately. The number of staff to be hired will depend upon the direction city officials set for the revitalization efforts in the city and the seriousness with which they take these efforts.

We recommend that the city consider consolidating the areas of planning, economic and community development under one department. This would also include the UCC function. Further recommendations regarding reorganization can be found in the sections on economic development as well as under engineering.

ENGINEERING

General

Prior to 1997 the city had a full-time city engineer with as many as 17 people on staff. The engineering department included three divisions: engineering, code enforcement and housing inspections. This department was responsible for overseeing various engineering projects in the city, preparing plans and specs, and, at one time, operating the water and sewer utility. In an effort to save money, consolidate and downsize city government, the city, in October of 1997 eliminated its engineering department and created a Division of Engineering in the Department of Public Works. In early 1998, the city entered into a professional service agreement with a consulting engineering firm, to act as city engineer in place of having an in-house staff. The remaining engineering employees on staff were either laid off or transferred to other departments during 1998.

The team found that salaries for the department had steadily been decreasing for several years, while other expenses fluctuated from year to year. A large percentage of the other expenses were for professional engineering services. The chart below demonstrates this trend.

ENGINEERING EXPENSE			
	Salary & Wages	Other Expenses	Total Expenses
FY1995	\$324,770	\$150,064	\$474,834
FY1996	\$352,237	\$371,270	\$723,507
FY1997	\$268,954	\$91,538	\$360,492
FY1998	\$147,083	\$152,654	\$299,737
FY1999	0	\$100,000	\$100,000

The city believes there is a need for technical engineering expertise which the former engineering staff did not possess. The team found that when fully staffed, the city had only two licensed professional engineers. They also

had a few non-licensed engineers and a number of drafting personnel. The rationale for eliminating an in-house engineering department in favor of a professional firm was the technical nature of the issues the city was beginning to face. The city did not keep an engineering staff member with the appropriate expertise on board to assist in preparing/reviewing technical request for proposals, vouchers, project oversight, or to answer day to day engineering related questions of the city staff. The absence of such a staff person was mentioned frequently as a problem by many of the staff we interviewed.

Consulting Services

In January of 1998, the city entered into an agreement with a professional engineering and consulting firm to replace the city's in-house engineering staff. The city was not required to formally bid the work, pursuant to the Local Public Contracts Law, as it is deemed a professional service. It is our philosophy that bidding for professional services can help attain more cost effective and responsive proposals. The original contract amount with the engineering firm was \$150,000; however, this was amended in August of 1998 for an additional \$75,800 for a total contract amount of \$225,800. It appears, at first glance, that the city saved approximately \$125,000 in salary costs by privatizing the engineering service. The city law department did provide us with a list of contracts for 1998 that indicated there were over \$500,000 in expenses in outside engineering contracts. This indicates that costs have not been controlled as much as the city would like.

The contract costs are based on hourly rates ranging up to \$150 per hour. The engineering firm has a member of its staff come to City Hall as needed. The agreement is broadly written and does not specify services other than professional engineering services. There appeared to be contract administration problems as the contract amount of \$150,000 was expended less than two thirds of the way through the contract year, necessitating a contract amendment for more than 50% of the total contract amount. The team believes that the increase in the contract amount could be traced to the city's underestimating the services the in-house engineering department provided.

Recommendation:

It is recommended that the city use a more open and competitive process when selecting a professional engineering firm for municipal engineering services. Upon completion of the current contract, the city should prepare RFPs that indicate the types of services to be included and the payment method.

The city also contracts with other engineering firms to deal with the city's combined sewer overflow problem, road construction projects, plan review, environmental assessments, and structural rehabilitation. The team was unable to verify the exact amount of professional agreements or contracts the city has with other professional engineering firms as there is no one staff person responsible for keeping track of this information. While multiple contracts for different areas of expertise are necessary in some instances, the team believes that, taken to this extreme, this can only further fragment the engineering function, making it difficult for the city to ascertain the true cost for engineering services. We do not believe it would be cost effective for the city to hire sufficient in-house engineering to handle all areas. However, some combination of in-house engineering staff and professional service contracts may be in order.

The city indicated concern regarding the cost of hiring a full-time professional engineer (P.E.) as city engineer. The city has several options it may pursue in order to fill this position. The current situation does not appear to be satisfactory or responsive enough to the staff, the residents or the city. There is also an opportunity to insert the city engineer into the superintendent of public works vacancy when the current superintendent leaves this year. A licensed P.E. with a municipal public works background would be the ideal fit for the city at this time, along with a qualified inspector/engineering assistant. This would provide the city with the responsive, professional staff for day to day projects while eliminating some of the costs of the outside professional contracts. This person could be designated to select consultants (after the Request for Proposal process) where needed, manage and monitor the status of various engineering contracts to prevent duplication of effort within contracts and to simplify the information gathering or status of a project.

The city contracted for tax map revisions and also employed three draftsmen, who prepared plans and revised tax maps. It was also mentioned to the team that the engineering department was not technologically proficient and lacked a computer aided design system. The city continues to contract with an outside firm, separate from the engineering contract, for tax map revisions at a cost of \$10,000. It was mentioned to the team that the oversight and control of the city's tax maps and various engineering drawings have been very lax since the engineering function was outsourced. The responsibility for the city's maps has been given to public works.

Recommendations:

It is recommended that the city explore the possibility of hiring a city engineer with municipal public works background to fill the superintendent of public works vacancy when the current superintendent leaves. It is also recommended that the city place a

qualified inspector/engineering assistant under the city engineer to oversee the various maps and documents of the city, and do necessary revisions to the tax maps. This is discussed further in the public works section of the report.

PARKING AUTHORITY

The City of Bayonne's Parking Authority is an autonomous government agency with seven members appointed by the mayor. The members of the authority are unpaid and do not receive health or other benefits. The chairman of the authority is the chief of police. According to a city ordinance creating the Parking Authority, "no commissioner shall be an officer or employee of the city" which raises a question concerning the involvement of the police chief. However, N.J.S.A. 40:11-5 provides that a municipality may appoint its traffic engineer or chief of police to such an authority. The city should consider amending its code to reflect that statute. The authority has broad powers to employ, acquire property, enter into contracts and borrow money. Currently, there are no bonds or outstanding debt for the organization.

The authority operates 11 off-street parking lots and parking enforcement is an integral part of traffic control in the city. There are 17 employees, 14 full-time, two part-time and one per diem steno/typist. In 1997, the salary and wages for the parking authority were \$364,924, the cost of benefits was \$96,630, with other expenses in the amount of \$131,559, totaling \$623,712 for 1997.

The full-time administrator provides overall supervision of the day to day operations. The part-time executive director is appointed by the authority and acts as secretary to the authority. The executive secretary prepares and administers the annual budget. There are eight parking enforcement officers (PEO's), one mechanic, one collector/repair individual, one laborer/collector, one laborer, and a part-time attorney. Only the 14 full-time employees receive health benefits. In addition to the regular full-time employees, the parking authority utilizes two welfare workers (CWEB) for 35-hour workweeks. One individual works in the office while the other CWEB individual works with the field personnel.

The team commends the parking authority for utilizing the available welfare (CWEB) individuals to assist it with its operations.

Cash Management

The daily receipts from the meter collections are deposited into an account, supervised by the administrator and verified by the executive secretary. The average monthly balance in this account is approximately \$52,000, and the team noted that this is a non-interest bearing account. There is no reason that these monies cannot be placed in an interest bearing account. Similar situations researched in other communities have provided these communities with yields of between 4.5 to 5 % in a daily cash management account. This type of yield could produce a revenue enhancement for the city of, approximately, \$2,350 per year.

Recommendation:

We recommend that the daily receipts from the meter collections be placed in an interest bearing account to provide additional revenue for the city.

Revenue Enhancement: \$2,350

The parking authority has been adding the annual reserved meter receipts to a certificate of deposit. During the team's review the certificate was renewed at 5.5 % for nine months. The current amount of the certificate of deposit is \$250,000. Approximately \$10,000 a year is being added to the certificate of deposit each year.

Consolidation

Parking authorities are typically created to allow one group/agency to concentrate on parking issues and enforcement. In addition, creating an authority permits the issuance of debt outside of a city's normal debt limitations. While parking continues to be an important issue in the city, a number of functions handled by the authority staff are not unique to the authority and functions such as payroll, purchasing, accounting, auditing and legal representation could be handled by city employees. Additionally, the authority's debt has been retired and there are no plans for any infrastructure improvements by the authority that would require significant funding, making the need for the authority's bonding capabilities unnecessary.

The team suggests the city consider dissolving the parking authority as it is currently structured. It could then be refashioned into a parking advisory committee that could continue to work on parking issues in its former areas of concentration, as well as on parking issues needing attention in other areas of the city. The police department and public works could absorb the various duties/personnel of the authority.

Recommendation:

It is recommended that the city dissolve the parking authority as it is currently structured and reincorporate its functions into the appropriate departments in the city's administration.

We suggest that the following reorganization of the various parking authority functions be implemented to accomplish this "merger". The positions of parking authority administrator, executive secretary, assistant PEO supervisor, laborer, laborer/collector, collector/repair, legal staff, per diem steno/typist and the mechanic positions should be eliminated. These responsibilities would be transferred to the police and the public works departments. The public works employees would assist the PEO's with internal controls for the meter revenue collections periodically. The parking enforcement officers (PEO's) would be reassigned to the police department in the traffic unit. The PEO's would perform traffic enforcement along with the parking violations.

Recommendations:

The team recommends that a plan be developed and implemented to merge the parking authority into the police department with assistance from the department of public works. The PEO's would continue their regular duties, however, these duties would expand into a traffic enforcement 'unit' as prescribed by the police department. In addition, these PEO's would be responsible for the weekly revenue collections with the DPW personnel.

Productivity Enhancement: \$252,588

We recommend that the PEO's uniforms be changed from the existing blue to brown to distinguish them from sworn police officers. This could be accomplished as uniforms need replacement.

The summonses issued by the parking authority employees are handled by the Bayonne Municipal Court. The parking enforcement personnel are designated as parking enforcement officers (PEO's). These individuals are assigned to enforce meter violations, street sweeping ordinance, N.J.S.A. 39 parking enforcement, as well as mail drop and bus stop ordinance violations. The meter enforcement personnel work a staggered 9:00 a.m. to 9:00 p.m. daily, 6 days a week.

The team commends the parking authority for its use of creative scheduling to provide extended parking enforcement coverage without incurring significant overtime costs.

Parking Enforcement

The parking authority operates approximately 1,547 parking meters. The meters accept quarters and dimes. The schedule is \$.25 cents for 60 minutes and \$.10 cents for 20 minutes. It was related to the team that many "cut pennies" are placed in the meters in place of dimes. The parking authority estimates revenue losses at approximately \$30,000 each year due to this fraudulent activity.

At the time of this review the parking authority was considering changing the meter denominations to quarters only, which would require both labor and mechanical costs to the city. The labor cost would be insignificant since the installation of the necessary new mechanical coin drop devices could be completed during the collection process. The cost for each new mechanical coin drop device is approximately \$3.00. This would represent a one time valued added cost to the parking authority of \$4,641 for the coin box devices. In addition to recouping the \$30,000 that has been lost in fraudulent activities, the city would capture as much as an additional \$20,000 based on the number of dimes that are placed in the meters annually. When the budgetary problems of the city are resolved, the city could consider phasing in electronic meters which will also address this problem and save the city on maintenance costs.

Recommendations:

The team recommends that the city adopt an ordinance for a \$.25 cent meter, and replace the coin drop devices in the meters to reduce/eliminate the fraudulent activity and associated financial losses.

One-time Value Added Expense: \$4,641

Revenue Enhancement: \$30,000 (elimination of lost revenues)

In addition, the parking authority will increase its revenues by as much as, approximately, \$20,000 annually through the conversion of the dime coin drops to quarter devices.

Revenue Enhancement: \$20,000

In addition to the 1,547 meters already maintained within the community, a parking meter survey was conducted for the installation of an additional 361 new meters at strategic locations throughout the community. These 361 new meter locations would not impact the residential parking rights of any homeowners.

Recommendations:

We recommend that the city install the additional 361 parking meters located throughout the city as outlined in the parking meter survey.

One-time Value Added Expense: \$108,300

Revenue Enhancement: \$147,577

In addition to the 361 spaces identified citywide, there were an additional 40 spaces identified for parking meters in the area of the hospital.

One-time Value Added Expense: \$12,000

Revenue Enhancement: \$16,320

The parking meters are monitored by the eight PEO's. Six of the PEO's are on foot patrol and rotate every two weeks. The other two PEO's operate Cushman vehicles. In addition to the parking meter enforcement revenue, the authority issues 75 parking meter permits at \$20 a month. The team observed that there are personal vehicles parking in the off-street lots overnight. The city has no ordinance for this type of activity, therefore, there is no method for enforcement by any authority.

Recommendation:

The team recommends that the city adopt an ordinance for overnight parking permits for the vehicles that park overnight in these off street parking lots. Assuming 10 vehicles park in each of the 11 lots overnight, the city can realize \$26,400 annually in additional revenue.

Revenue Enhancement: \$26,400

Parking Authority Ticket System

During 1998, the parking authority began to use electronic summons radio terminals provided by the NJ Administrative Office of the Courts. This system helps to reduce clerical work in court-generated summons, and to track the productivity of the PEO's in the field. This system communicates directly with the State of New Jersey Court Automated Traffic System and provides an electronic record of each summons issued. In addition, the system is designed to correct penmanship errors that occur with registration numbers that are recorded with a typical hand

written summons. The system also has the capability of alerting the PEO's if a vehicle owner has an outstanding warrant, permitting the PEO's to alert the police.

The team commends the parking authority and its staff for working cooperatively with the NJ Administrative Office of the Courts to implement the use of the new electronic system.

Gasoline Purchases

The team learned that the parking authority is purchasing gasoline from a private service station in the city, paying full price for the gasoline.

Recommendation:

The team recommends that the parking authority enter into a shared service agreement with the city to purchase gasoline through the city's vendor.

Cost Savings: \$1,440

Leased Lots

The parking authority enforces parking in 11 off-street lots. All of the lots belong to the city with the exception of lot #1, which is leased from a private organization. The annual lease fee for this lot is \$12,996. The parking authority is cleaning and maintaining this lot, and collected \$6,825 in 1998. The authority is losing approximately \$6,171 annually on this arrangement, not including the costs it has associated with the maintenance of the parking lot.

Recommendation:

The team recommends the city explore the feasibility of either purchasing this lot, renegotiating the lease agreement, or canceling the lease, which would require removing the meters from this location.

Cost Savings: \$6,171

Penalties

In 1998, the parking authority issued 66,071 summonses for overtime at meters, street-sweeper violations, mail drop and bus stop violations, along with N.J.S.A. 39 enforcement. The team has reviewed other communities that have parking authorities and found that Bayonne's parking fines and fees were lower. The city's current ordinance assesses nine dollars for parking violations, while other communities charge between \$11 and \$31. The city's current ordinance for street sweeper violations is \$14, and other communities' fees range between \$16 and \$35. If the governing body raised the overtime parking meter fees by a modest \$2.00, and the sweeper ordinance violation fees by \$1.00, the city could generate an additional \$98,884 annually.

Recommendation:

It is recommended that the city review its current parking violation fee schedule and consider amending the ordinance to be more in line with similar communities and parking authorities.

Revenue Enhancement: \$98,884

Advertising

While the team was conducting its review, the parking authority was investigating an advertising promotional concept for the parking meter poles. The advertising concept is similar to that used on shopping carts in food markets. There are no overhead or installation costs to the city for this program, as it is all born by the advertiser. The typical monthly rental charge to the customer for this type of program is \$6.00/month/meter. Assuming this device is added to half the 1,547 existing meters, the revenue generated for the program would be \$55,692.

The team commends the parking authority for its efforts in researching this type of project and would encourage the parking authority to continue to explore the feasibility of this project.

Revenue Enhancement: \$55,692

BAYONNE COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the community with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judiciary personnel.

The team observed a number of court proceedings, toured the facilities and interviewed persons working in the Bayonne Municipal Court. The operation appeared well managed, with a cohesive group of customer service oriented employees, who functioned in a professional manner. The proceedings started promptly and continued until all of the cases on the docket were completed. The sessions the team observed were conducted in a precise, orderly and professional manner. The courtroom was quiet and virtually free of disruption and confusion. There are a few areas where improvements could increase the performance and effectiveness of the overall operation.

In FY98, the court collected \$2,623,227 in revenues. The city retained \$1,802,338 of this revenue, with the balance disbursed to the appropriate state and county agencies. The court disposed of 105,859 complaints and added 103,500 complaints.

The court administrator is responsible for all financial transactions. In addition to the court administrator, there are three deputy administrators, 13 full-time clerical staff, one part-time clerical person and two judges. The presiding judge is appointed to a year term, under contract, and an acting judge is appointed annually. In 1998, the two judges handled 153 court sessions. Sessions are Monday, Tuesday and Thursday mornings, and Tuesday evenings. The present court administrator has an active “hands on” role with the court. The court administrator works Tuesday evenings, assisting on the bench to help expedite the proceedings, for which she receives overtime compensation.

A third position of deputy court administrator was added to the organizational structure in May of 1998. This appointment resulted in an inquiry from the municipal division manager of the Hudson County Vicinage. The municipal division manager determined that this additional appointment was unusual considering the size of the Bayonne Court. Although the municipal court judge issued an explanation to the municipal division manager, the team believes that two deputy court administrators are sufficient for the size and volume of this organization.

Recommendation:

We recommend that the city downgrade the third deputy court administrator position and assign each of the remaining deputy court administrators, as shown on the table of organization, one to the ATS and one to the ACS.

Cost Savings: \$5,602

Overtime

The city is attempting to curtail the department overtime figure of \$48,000, and limit it to \$5,000 - \$10,000 in FY99. However, during the review the team learned that the department had already exceeded its budgeted overtime amount. The court needs to reorganize the staff and their shifts to be able to reduce overtime costs to the department. The current labor agreement prohibits the court administrator from changing the work hours or schedule of the staff. However, the city could hire two entry-level part-time employees when resignations or retirements occur. These new employees would be assigned to the evening court where the overtime is being incurred.

Recommendations:

It is recommended that during the next contract negotiation phase the city work to change the labor agreement to allow the court administrator to modify the work hours or schedules of the court employees as needed.

It is recommended that the city hire part-time personnel to fill resignations or retirements in order to provide individuals available to fill in during evening court sessions.

Cost Savings: \$48,776

Case Management

The Bayonne Court receives summonses from a variety of agencies. These have included the New Jersey State Police, the State Police's Marine Division, Division of Fish, Game and Wildlife, the Port Authority Police, the local fire and building inspectors, the parking authority and the local police. There are also occasions when the court accepts complaints directly from private citizens. The various functions of the court, such as entering complaints, scheduling cases, cashiering, producing failure to appear notices and warrants for arrest, are delegated to the staff by the court administrator. The staff appears to be well trained in all areas of court procedures.

The Bayonne Court is on line with the automated traffic system (ATS) and the automated criminal system (ACS) from the State Administrative Office of the Courts (AOC). The ATS/ACS computers provide detailed record keeping and case tracking for the city and the state judicial system. The staff is knowledgeable in the various features of the system and both the presiding judge and the court administrator use and understand the report issued by the ATS/ACS system. While interviewing the presiding judge, the judge mentioned to the team that there had been a drop in summons activity by the police department in recent months.

The current caseload handled by each employee is 604 cases per month. The team believes that this is appropriate, based on a comparison to other similar size municipal courts, and that the staffing level in the court is sufficient. In 1997, the statistical management report indicated the case disposal rate for traffic to be 99.46% and criminal to be 100.54%.

The Administrative Office of the Courts has implemented a pilot program called the Municipal Court Video/Closed Circuit Television arraignment program. This program allows detainees to be arraigned without having to be transported to the Bayonne Court. The video program allows municipalities to lessen the time, money and workforce required for arraigning prisoners, and at the same time eliminate security concerns. The cost savings of implementing such a program are addressed in the police section of this report. The training program is less than two hours per employee. The city would need to apply to the AOC for participation in this program. In addition, the clerical staff person handling detainee documentation could then dedicate her time to other clerical functions within the municipal court.

Recommendation:

It is recommended that the city apply to the AOC for participation in the CCTV Arraignment Program.

One-time Value Added Expense: \$27,463

Cash/Account Management

The court administrator maintains fines/costs and bail accounts. The average monthly balance in these accounts is, approximately, \$322,000. Both accounts include moneys from criminal and traffic fines. The team discovered that these accounts are non-interest bearing accounts. After this was brought to the attention of the court administrator, the administrator arranged with a local bank to transfer these accounts into interest bearing accounts.

The team commends the court administrator for quickly acting on the information provided to her by the team.

Revenue Enhancement: \$17,388

Time Payments

At times, defendants are unable to pay the fines assessed to them in court. When this happens, the judge may allow a defendant to make periodic scheduled payments. These payments are called "Time Payments." Frequently, time payments become delinquent and require aggressive follow-up by the court staff. In reviewing the time payment accounts for the Bayonne Court, the team found "Time Payments" owed to be growing.

The team selected two random periods, August, 1998 and December, 1998, to review the time payment records. In August, there was a total of \$665,910 outstanding for the account and by December the amount had grown to \$766,148. Although the judge questioned each defendant concerning their candidacy for the time payment program, and reviewed the consequences should the defendant fail to comply with the program, the dollar amount owed continues to grow.

The Bayonne Court may be a candidate for the Comprehensive Enforcement Program offered by the Administrative Office of the Courts (AOC) on collections. Bayonne may apply to the Administrative Office of the Courts for participation in this program to assist the court in locating defendants who have failed to make the required payments and have not responded to the regular collection methods. We estimate that 20% of the uncollected delinquencies could be located and payment made. The CEP, by law, keeps 25% of the amount collected.

Recommendation:

It is recommended that the city file an application with the Administrative Office of the Courts to participate in the Comprehensive Enforcement Program for the collection of delinquent funds.

Revenue Enhancement: \$114,922

Failure to Appear

The team reviewed the statistical monthly management report, provided by the Administrative Office of the Courts. The team discovered that, on some occasions, Failure to Appear notices had not been generated by the municipal court in a timely fashion. It is important to generate these notices on time as they are a part of the process to insure that the defendant responds to the summons. The issuance of the Failure to Appear notice also results in an additional \$10 fee.

Recommendation:

It is recommended that the Failure to Appear notices be generated in a timely fashion.

Revenue Enhancement: \$10,000

Alcohol Counselor

The city employs an alcohol counselor who operates under the direct supervision of the Bayonne Municipal Court. This individual's position value is \$44,439 and is covered by the labor agreement. The alcohol counselor interviews defendants if the judge finds the defendant guilty

of substance abuse. This type of position should be part of social or health services. No one in the court or in the administration was able to provide an explanation as to how the position was created, or whether any type of substance abuse, social or health grant supported this position.

Recommendation:

The team recommends eliminating the position of alcohol counselor. If the city desires to continue this type of service as a court function, we recommend an existing social service or health employee on staff perform these duties.

Cost Savings: \$44,439

Public Defender

The municipal Public Defenders Law, N.J.S.A. 2B:24-1et seq., requires each municipality to hire a public defender. Bayonne contracts with a law firm to provide this service. The law allows an application fee to be charged for those requesting a public defender and these fees are used to offset the cost of the public defender. The judge addresses the defendant on the court record as to the defendant's ability to provide legal representation. In FY98, the judge was charging \$50 for each application for the public defender service. However, after the team conducted its interview with the court administrator and the presiding judge, the judge implemented a new fee of \$100 per application.

The team commends the judge and the court administrator for implementing this cost-effective increase for the public defender's application.

Recommendation:

It is recommended that, pursuant to N.J.S.A. 2B:24-17, the city adopt an ordinance to properly authorize the imposition and collection of any fees to be imposed upon individuals using the services of the city's municipal public defender.

The public defender receives \$52,500 a year and does not receive health, sick or vacation benefits. He estimated he handles approximately 600 cases a year, translating into an average of \$87.50 per case. The team inquired as to how cases are tracked, and discovered that there is no tracking or internal audit performed for the number of defendants handled by the public defender. The team was informed that the court administrator and the public defender were beginning to work on an internal audit system to accurately track and account for defendants using the public defender. The team reviewed the amount of funds deposited in the public defender's trust account for FY98. The team discovered that \$5,350 was deposited into this trust account during this time. Based on an application fee of \$50 per case for FY98, the team realized that the public defender represented approximately 107 defendants, not 600. The team understands that there may be cases where the judge would waive the fee for the defendant. Assuming the judge waived the fee for 50% of the defendants, the number of defendants would then be 214. Based on this

new number, the average cost per case for the public defender then rises to \$245. The team finds this cost per case to be high compared to other communities reviewed.

Recommendation:

The team recommends that the presiding judge and the court administrator implement a tracking and audit system to record and account for the number of defendants receiving the services of the public defender. However, it is the city's responsibility to collect any outstanding fees for public defender services. Once in place, the governing body should explore the feasibility of reducing the cost of the public defender by coordinating scheduling or court appearances and using a per diem system.

Cost Savings: \$31,100

DEPARTMENT OF PUBLIC WORKS, PARKS AND RECREATION

The Department of Public Works, Parks and Recreation is responsible for carrying out a variety of activities and services for the city and its residents, from grass cutting to repairing streets, to maintaining the sewer system, to providing activities for the handicapped. A director, who has two clerical assistants, heads the department. The separate divisions of parks, public works, recreation and cultural affairs, and quality of life all report to him. The following chart represents the different divisions and sub-divisions within the department along with the number of personnel assigned to each:

DIVISION	SUBDIVISION	# OF WORKERS ASSIGNED
^A Public Works	Garage Services	13
^A Public Works	Facilities Management	27 (Excludes 19 PT custodians)
^A Public Works	Streets	24
^A Public Works	Sewer Utility	15
	SUBTOTAL	79
^B Parks	Parks & Playgrounds	27
^B Parks	Forestry	4
	SUBTOTAL	31
^C Recreation	Arts & Crafts	2
^C Recreation	Sports & Events	6
^C Recreation	Sports & Recreation	4
^C Recreation	Handicapped Programs	2
	SUBTOTAL	14
Quality of Life	N/A	1
	SUBTOTAL	1
Department Director and Superintendents		3 & 2 clerical
	SUBTOTAL	5
	GRAND TOTAL (excludes PT staff)	130

^A Public works is under the supervision of a superintendent.

^B Parks is under the supervision of a superintendent.

^C Recreation is under the supervision of a supervisor.

In FY98, the audited and actual salary and wage costs were \$4,007,635. The following chart represents the audited salary and wage costs associated with the department over the past 5 years. The salary and wage costs include both the current year expenditure, as well as expenditures in the next fiscal year that are charged back, appropriation reserves. The team noted that the audited categories/divisions do not coincide with the actual divisions in the department, as some divisions are included in the streets and parks line item. The FY costs are as follows:

DIVISION	FY 94	FY 95	FY 96	FY 97	FY 98**
Maintenance Municipal Building	\$231,159	\$249,432	\$247,205	\$263,390	N/A
Director's Office	\$135,317	\$138,621	\$104,681	\$138,228	\$179,862
Streets & Parks	\$1,999,000	\$2,071,807	\$2,247,276	\$2,469,843	\$2,968,877
Swimming Pool	\$70,961	\$95,492	\$89,843	\$95,959	\$85,939
Recreation	\$545,213	\$558,810	\$604,582	\$718,070	\$769,580
Snow Removal	N/A	N/A	\$143,002	\$16,999	\$3,377
TOTALS	\$2,981,744	\$3,114,257	\$3,436,685	\$3,702,586	\$4,007,635

**** In FY98, the salary and wage costs associated with the maintenance of municipal buildings was combined into the streets and parks line item in the budget. Also, for 1998, only the current year expenditure was used, as the reserve expenditures were not available during the review for the entire fiscal year.**

As is shown in the chart, the costs associated with salary and wages, in certain divisions of this department, have increased tremendously over the past five years. The total salary and wage cost for the department has increased 34.3% over this period or an average of 6.9% each year. Individually, over this five-year period, the director's office increased 32.9%, maintenance and streets and parks (combined) increased 33.1%, the swimming pool increased 21.1% and recreation increased 41.2%.

It appeared to the review team that, as a whole, the department is fairly well managed and provides quality services to the residents of Bayonne. However, there are many areas that need to be addressed in order to make this department more efficient and more effective.

Management

As previously mentioned, a director oversees the department. The director handles the bulk of the administrative work of the department. The city has employed the current director since August, 1998. The team was informed during the course of the review that the superintendent of public works, who is the operational and technical manager of that division, was planning to retire in 1999. The team is concerned about the future operational and technical management of the public works division, since the current superintendent provides a great deal of information as to the "history" of the organization and the "how and why" of how things are done. The team is proposing a new organizational structure that seeks to address the void that will be created in this division, and that will provide a higher level of expertise on the staff, which is currently lacking.

In fulfilling the city's future need for a public works superintendent, the review team also feels that this position could fill additional voids that exist in the department's staffing. The team feels that, in addition to filling this position with a licensed DPW superintendent, this person should also be licensed as an engineer. As is discussed in the engineering section of this report, the review team feels there is a lack of supervision over the work the city contracts out to numerous engineering firms. The hiring of a combined public works superintendent/engineer would help address and, hopefully, rectify this problem, while putting a well-qualified person in place to oversee the operational aspects of the department. It is estimated that the salary of a person with dual licenses, as described above, would be between \$10,000 and \$20,000 more per year in salary costs. As is also discussed in the engineering section, this person/position would be assisted by an engineering assistant/inspector to provide technical assistance to the engineer, to oversee various maps and documents, to make revisions to tax maps, to provide engineering assistance to City Hall staff, etc.

Recommendations:

We recommend that, should the present superintendent of public works retire, the city hire an experienced and knowledgeable replacement, who is certified as a public works manager. Given the lack of certified and licensed staff in this department, the team believes that it would be in the best interests of the city to appoint an individual who holds the necessary certification, rather than hiring someone for the position who may be eligible to complete the required courses.

We also highly recommend that the requirements for the position include a license as a professional engineer in the State of New Jersey, in addition to the public works manager certification.

We also recommend the hiring of an assistant engineer given the lack of certified and licensed staff. This position could maintain maps and do routine engineering work for the city while the engineer oversees the operations of the department.

Value Added Expense: \$10,000 - \$20,000

Value Added Expense: \$40,000 - \$50,000

Upon interviewing and observing the various supervisors in the divisions of public works, parks, and recreation, the team observed a noticeable difference in the quality and level of experience. It appears years of service, rather than an assessment of an individual's ability to be an effective supervisor, were used to fill supervisory positions. Additionally, the team believes that the number of supervisors is excessive. This will be addressed in the following sections.

Recommendation:

It is recommended that the supervisors in this department be provided with supervisory training to effectuate quality supervision.

Value Added Expense: \$1,000

Structure

Under the present organization, there are four divisions that report directly to the director of public works, parks, and recreation. These divisions are public works, parks,

recreation, and quality of life. It is the opinion of the review team that there is no need for a separate parks division in a department the size of Bayonne's and having a separate division promotes ineffectiveness in carrying out the day to day functions within the department.

In the early 1990's, the department's organizational structure was changed. A separate position for a parks superintendent was created and parks no longer fell under public works. This organizational change seems to have stemmed from a belief that the parks division was neglected when it came to staffing and delegation of employees, and the availability of equipment. As a result of the organizational change, the review team noticed tension between the two divisions, and it appears there is not much sharing of employees or equipment between the divisions, except in emergencies or extreme circumstances.

The ability of a manager to utilize the resources and strengths within a department is essential in creating an efficient and effective operation. Under the present structure this doesn't happen, since there are two operational superintendents (parks and public works). They deal with the day to day operations of their divisions without the type of cooperation which should exist between divisions so closely related. The city needs to create an organizational structure with one superintendent overseeing the parks and public works divisions. This would enable the individual to better utilize and schedule personnel and equipment, and to handle the workload of the department. Additionally, having one superintendent reduces duplication within the management structure.

Recommendation:

It is recommended that the city revise the organizational structure in this department and downgrade the superintendent of parks position to a supervisory level position. This supervisor would supervise the parks division but would report to the superintendent of public works/engineer.

Cost Savings: \$13,000

In reviewing the salary structure of the supervisors within the department, it was noted that there was a large variance among supervisor's salaries. This appears to be the result of so many employees being classified as supervisors although their level of supervision varies. It appears, also, that some supervisors were being paid at levels almost equivalent to superintendents. In FY98, the salaries paid to supervisors in the department ranged from \$33,808 to \$53,688. The team believes that the title of supervisor should only be given to individuals in charge of a division, and that the title of assistant supervisor be used for those employees in charge of crews within a division.

Recommendation:

It is recommended that the city review the titles and corresponding duties and perform desk audits for all the supervisors within the department. After such a review, the titles for the various positions should be revised accordingly.

Record Keeping/Time Management

The department maintains a “call for service” log from resident’s requests for public works services. Any call for service is logged by a clerk and, subsequently, prioritized. At the end of each week, a report of work that has been completed and work that remains outstanding is generated and given to the superintendents. That report is then reviewed and jobs that are outstanding may be given a new priority.

The team commends the department for responding to the needs of the city’s residents and for keeping a record of work completed and that which remains to be done.

In discussing the workload of the department, it was brought to the attention of the review team that work logs were not maintained for the employees on a daily basis. As a result, the management of the department has no way to track how long jobs are taking, how much the jobs are costing, etc. There is no way for the department to compare its work with private industry, which would provide it with a perspective on their cost effectiveness and efficiency.

Recommendation:

The team recommends that the department create a method by which it can record the work completed by each employee each day. This data should include the time spent on each job, materials used, cost of materials, equipment used, and fuel. This data should be compiled on a routine basis, which would then enable the department to compare the effectiveness and efficiency of its operations to private industry, as well as to the past performance of the department.

Within the past year, the city went to a time-management system through its payroll provider. The city now requires that all of its employees swipe a card through a time clock whenever they come in or leave work, including lunch periods. This system tracks the employee’s time and is then used in determining an employee’s pay for that period.

There are time clocks located within various city facilities, including firehouses. According to city officials, an employee may swipe his or her card at any location in the city. However, according to public works and parks employees, the other facilities are not being made available to them. As a result, the public works employees use work time to drive back to City Hall, the central garage, or the 16th street facility to swipe in or out. It was estimated that an employee could spend a half an hour or more each day traveling to an available facility to swipe a time card if working on a job near the city limits.

Recommendation:

It is recommended that the city ensure that all facilities with time clocks are made available to all city employees to eliminate this inefficient use of time.

The majority of the department, except for a few personnel who are scheduled to meet various city needs, work Monday through Friday from 8:00 a.m. to 4:00 p.m. According to a contractual arrangement, the hours of work may be adjusted by one hour, either way, from the normal workday. Various supervisory personnel expressed the belief that having an earlier start time, particularly for the field personnel, would help crews avoid the peak afternoon rush hour and would be less disruptive to city traffic.

Recommendations:

It is recommended that the department/city exercise its right to adjust the workday, as deemed necessary by the supervisory personnel, to as early as possible under the current contractual arrangement. Additionally, the city should negotiate the option of an even earlier start time during future negotiations, should the department desire an even earlier start time.

Vehicles and Vehicle Maintenance

The vehicle maintenance division consists of a supervisor, an assistant supervisor, two senior mechanics, five mechanics, two stock clerks, and two garage attendants, with a total salary and benefit cost of \$598,739. The division is under the superintendent of public works in the organizational structure. This division is responsible for the maintenance and repair of all the city's vehicles, including fire apparatus. The garage does every type of work on the vehicles, except fire apparatus testing, major repair work (transmissions, engine overhauls, etc.), and body work. The supervisor has one person assigned to fire apparatus and the remaining mechanics work on whatever comes into the garage for repair or maintenance. According to a list given to the review team, there are approximately 250 vehicles and 115 pieces of equipment in the city.

According to the figures above, the city has a mechanic to vehicle ratio of 1 to 31.25, which is comparable to the private sector. Additionally, the city received a proposal to provide maintenance and repair services from a private company in 1997. The city estimated it was going to save approximately \$250,000 per year by keeping the service in-house. While the city's estimate of savings was significantly overestimated, the review team did find that the city's operation was comparable in price to the quote received by the private company, after it was adjusted to reflect an increase in the city's vehicular fleet. The proposal included a proposed table of organization if the contractor was awarded the service. The number of mechanics, along with the supervisor, was similar, however, there were no garage attendants or stock handlers. The only other person that would have been employed by the contractor was an office clerk to track the vehicle repairs on a fleet management system.

In talking to many different employees within the city, the review team heard positive comments concerning the quality of repairs and their timeliness. The only complaints were related to the city's purchase process when a vehicle needed a part. If it was not in stock and was too expensive to get from a parts supplier under an open purchase order, they had to go through the purchasing office.

During the course of the review the city purchased a fleet management system for its operations. This system will track vehicle repairs, mechanic's time, inventory control, and help determine whether a vehicle is worth repairing. Inventory control is currently performed manually by two stock handlers. The garage personnel were inputting all the necessary information into the computer system. Once the fleet management system is operational there will be a computer system set up to control the inventory that the garage has in stock. Additionally, the review team suggests that a clerical person be placed in the garage area to support the supervisor, to schedule vehicle repairs and maintenance, and to input and track all the vehicle repairs.

Recommendations:

It is recommended that, when the fleet management software becomes operational, the city eliminate the two stock handler positions.

Cost Savings: \$77,680

In addition, it is recommended that a clerical support person be hired to assist the supervisor in this facility.

Value Added Expense: approximately \$30,300

As stated earlier, there are two garage attendants who also work at the garage. These individuals are assigned to clean and maintain the garage areas, along with picking up parts and supplies. In many communities it is the responsibility of the mechanics to maintain their work areas, and it is common for the vendor providing parts and supplies to provide free delivery. Given the size of Bayonne's vehicle maintenance operation, one employee to clean the area and pick up parts is sufficient.

Recommendation:

It is recommended that the city eliminate one of the garage attendant positions and arrange to have vendors deliver parts whenever possible.

Cost Savings: \$37,000

According to garage personnel, there are ten areas in which the mechanics work on vehicles and there are four hydraulic lifts. On numerous visits the team observed that every working area had either a vehicle or piece of equipment in it and that either a mechanic was working in the space or was waiting for a part to complete the work. Discussions with the staff indicated that, in general, the work area and the equipment provided were adequate for its needs.

It was brought to the attention of the team that the board of education has its own vehicle maintenance facility and that this presented an opportunity for a shared service. There are one mechanic and an assistant (50% of his time) working on the 49 school vehicles. The mechanic and helper work in a garage facility that is rented to the board of education, along with a storage area for the buses and gas pumps, for \$64,000 per year. According to the school report, it is recommended that at least 10-12 buses be sold. The team believes that there is a potential for a shared service in this area. This assumes that the mechanic and assistant are transferred to the city staff (with reimbursement from the board of education). In addition, an arrangement would need to be made for some of the mechanics, both city and board of education, to work on vehicles in the evenings. Additionally, the board of education would contribute to the cost of supplies, large equipment purchases and repair, and the operational cost of the garage.

Recommendations:

We recommend the city explore the possibility of a shared service operation for vehicle maintenance with the board of education, which could result in cost savings for the board of education in the amount of, approximately, \$50,000.

Cost Savings (to the board of education): \$50,000

We also recommend the city schedule a portion of its vehicle maintenance staff to work during evening hours. This would free up work space during the regular shifts and would also allow vehicles to be worked on in the evenings when they are not needed or in service.

Parks

A superintendent currently manages this division. As was previously mentioned in the report, it is recommended that this position be reduced to a supervisory level position, reporting to the superintendent of public works/engineer. There are a total of 32 workers assigned to this function, including three supervisory personnel at an annual salary, wage, and benefit cost of \$1,308,910. The current parks operation includes duties such as grounds' maintenance, landscaping, ballfield maintenance, park maintenance, and shade tree work. The parks personnel work on three main municipal parks and 12 mini-parks located throughout the city. According to records provided to the review team,

there are 1,448,658 square feet (33.25 acres) of grass area in the three main parks and 226,846 square feet (5.21 acres) of grass area in the 12 mini-parks. After visiting the parks within the city, the review team recognizes the quality of work that is being done, however, the service is being provided at a high cost to the city. In addition, the city is leaving itself open to insurance risk because of the nature of the work. The following is a chart that represents the FTE's associated with the functions of the parks' employees:

FUNCTION	NUMBER OF FTE's ASSIGNED
Superintendent	1
General Supervisors	2
Dennis Collins Park	4
16 th Street Park	3
Veterans Park	2
Ballfield Marking & Maintenance	3
Landscaping of City Property	4
Repair Crew	4
Pick-up of Garbage Receptacles in Parks	3
Forestry/Shade Tree	4.5
Base Radio/Dispatch	1
Assigned Elsewhere, but Returning	1
Total FTE's:	32.5

There is a forestry/shade tree sub-division in the parks division. This sub-division is responsible for pruning trees, removing dead trees and stumps, planting trees, etc. These personnel currently report to the superintendent of parks, since the supervisor has recently left the employ of the city. This division consists of four parks' employees and an individual that splits his time with the streets function, and deals with all of the city's tree work, located in the parks, lining the streets, and at the housing authority properties (for which there is some reimbursement to the city). Usually there is a crew of three people who do the tree work, due to employee absences and covering for shortages in another area in the parks division. All of the personnel within this sub-division are fully certified to do this type of work.

The FY98 cost of providing this service to the city was \$185,771 in salary, wage, and benefit costs. According to the superintendent of parks, this work is done all year round, except for the days with inclement weather. Using a conservative number of 230 days in which the forestry employees work each year, which excludes holidays and weather, the salary and benefit cost per day to do shade tree work is \$808. This number, does not include the costs associated with equipment purchase and repair, nor does it include the approximately \$26,280 in workers' compensation costs associated with this type of dangerous work (industry estimates 20% of salary and wage costs).

In looking through state contract vendor information, the review team found that a crew of three qualified shade tree personnel, along with all the equipment and insurance liability, can be obtained in Hudson County for \$85 per hour. Using a seven-hour workday by municipal employees, the cost to contract this work would be approximately \$595 per day. The review team learned that the department while performing a comparison previously obtained estimates of approximately \$770 per day.

If the department could obtain a price of \$725 per day to do the shade tree work, which the review team feels is conservative, the contracted cost to the city over a yearly period would be \$166,750. This is a savings of \$19,021 in salary and benefit costs and a savings of \$26,280 in insurance costs. The team believes that the combined savings of \$45,301 is a minimum estimate.

Recommendation:

It is recommended that the city contract for the shade tree services, which will result in cost savings in salary and benefits as well as insurance costs/risks. In addition, the city will then be able to contract for services when needed, eliminating year round staffing for this function.

Cost Savings: \$45,301

(Salary, benefit, and insurance costs do not include the one time revenue associated with the selling of forestry equipment.)

Similar to operations in the streets and roads division, there is a crew in the parks division that picks up garbage. This crew is responsible for picking up garbage in receptacles located in the city's parks and playground areas. The salary and benefit cost associated with this function is approximately \$113,618. Since the city has a contract for the majority of garbage collection within the city, these areas could be included in the next phase of contract negotiations. The reason given for the city collecting the garbage in the parks was that some of the receptacles were located in areas too narrow for a commercial truck to enter.

Recommendation:

It is recommended that the city discuss with its contract vendor garbage collection in the city's parks. In recent years, collection machinery has been developed to deal with "unusual" situations, such as narrow spaces and decorative park receptacles, which previously could not be handled by normal compacting vehicles. If the vendor's cost to provide the service is less than the cost of providing the service using parks employees, including capital costs, the city should renegotiate the garbage collection contract to include the pick up in the parks. Any such negotiations would be subject to the requirements set forth under N.J.A.C. 5:34-4.1, et seq.

Cost Savings: Undetermined

There is presently one person assigned to the Base Radio/Dispatch function for the parks division. The review team does not believe this position is necessary. The purchase of the appropriate communication equipment would facilitate communication between supervisors and employees. The purchase of communication equipment, on a one-time basis, will save the city on an annual basis.

Recommendation:

It is recommended that the city purchase communication equipment to provide effective communication between the supervisors and the employees. Once accomplished we recommend the city eliminate the position associated with the Base Radio and Dispatch function.

Cost Savings: \$36,275

The majority of work required of the parks division is related to the maintenance of the city's parks and public properties. This work is primarily found at the municipal parks since there are minimal grass areas around other municipal facilities. As stated previously, there are 38.5 acres, or approximately 1,675,504 square feet of grassy areas maintained by the parks division. In order to determine a more realistic area maintained by the parks personnel, the review team added 10% to the park area to get a total area maintained of 1,843,054 square feet or 42.25 acres to account for the small areas around other municipal facilities. These are the numbers that will be used by the review team to assess the productivity and cost effectiveness of this division.

There are 18 employees in this division. There are two supervisors, nine employees assigned to specific park maintenance, three employees assigned to maintain ballfields, which are used by both the recreation department and board of education, and four employees who deal with the landscaping work of municipal properties. The employees who are assigned to specific park maintenance at the three major parks spend their time cleaning the grounds, cutting the grass and edging walkways, cleaning the bathrooms, and doing any other work that is needed. The

employees assigned to the landscaping function also clean the grounds and cut the grass at the mini-parks, City Hall, and at other city owned properties. The total salary and benefit cost associated with the 18 employees is approximately \$705,887.

These employees are assigned to the park maintenance function year round. As is the case in most municipalities, these employees are very busy from March to October. In the other months, municipalities with full time staffs try to keep the employees busy by maintaining equipment, painting, picking up leaves, and various other jobs. The team believes that the park maintenance function is one that should be evaluated for partial or complete competitive contracting, since it is not a year round function. The review team was able to find contracts for basic lawn maintenance services for approximately \$0.05 per square foot and comprehensive lawn maintenance services for approximately \$0.38 per square foot for the entire season (March to October). Basic lawn maintenance typically includes grass cutting, edging, fertilization, and basic pest control, while comprehensive lawn maintenance includes major spring and fall clean-ups, (mulching, tree and shrub trimming, bagging of leaves), weekly clean ups, grass cutting and edging, fertilization and pest control.

The review team believes that the work performed by the 18 park's employees does not specifically fall under either of the contract service groups, but rather somewhere in-between. If the city were able to obtain a contract for the services provided by the 18 employees for \$0.20 per square foot, the cost to provide the services would be approximately \$368,610. This should not be mistaken as the only cost, however, since the city would need to keep a few employees to clean the bathrooms in the parks and do the various jobs that were performed by the employees during the winter months. If the city were to keep three of the employees, at an average salary and benefit cost of \$39,216, it would cost an additional \$117,648. This would bring the total cost to approximately \$486,258 or a savings of \$219,629 annually. This savings could be increased with the one-time revenue associated with the selling of various parks equipment and the reduction in maintenance costs.

Recommendation:

It is recommended that the city investigate the contracting of the above services and put together a request for proposals.

Cost Savings: \$219,629

Streets

Within the streets division, there are 2 supervisors and 22 other personnel at a salary and benefit cost of \$972,536. This excludes the cost of 1.5 FTE's being utilized elsewhere within public works. These employees are responsible for street and road repairs, street sweeping, operating the recycling yard, staffing the city litter patrol and two Mad-Vac's, and various jobs that may be given to them. Three of the streets' personnel split their time with other divisions within the department. This entire operation reports, through the general supervisor, to the superintendent of public works.

In discussing the organization with the superintendent of public works, the following is a chart which represents the approximate number of full-time equivalents (FTE's) currently assigned to the functions within the streets division:

FUNCTION	NUMBER OF FTE's ASSIGNED
Litter Patrol	4.5
Mad-Vac of Litter on Streets and Sidewalks	1.5
Street Repairs	6.5
Street Inspection	2.0
Recycling Yard	3.25
Street Sweeping	1.25
Fill-in Laborers	1.5
Assist in Other Areas of the Department	1.5
Working in Fire Signal & Repair Division	1.0
General Supervisor	1.0
Total FTE's:	24.0

There are approximately 6.5 employees who work in the streets and roads section. These employees deal with all of the minor street and road problems including potholes, cave-ins, and water main breaks. Any major overlay work is done by a contractor and any work that is created by another entity, such as a utility company, is completed by that entity or its assigned contractor.

Through interviews and observations it appears that the city streets are in OK condition. According to the employees, the big reason for some of the poor street conditions is the reduction in grant money to fund these projects. As a result, the streets and roads crew is focused on the main thoroughfares in the city and any problem areas. The streets and roads crew has the necessary equipment to do just about any job it is given. The city recently purchased a “cooker” which takes road millings and heats them so they can be reused as hot patch.

We commend the city for purchasing equipment that will save the city money by eliminating some contracts for service associated with the repair of the city’s roads.

Another problem that affects the condition of city streets is the number of different contractors working on them. As stated before, when a company opens a road for whatever reason, it is responsible for the restoring the road. There are performance standards the contractors should follow, but it is very hard to ensure compliance. As a result, the city has two street inspectors whose job it is to try to ensure that the contractors are doing the work properly and also who look for problem areas that need to be addressed by the public works crews. It is not uncommon for the municipality to have to fix a repair job done by a contractor.

Recommendations:

The city should provide companies with a list of qualified state vendors to do the road work associated with street openings. Under this arrangement, the companies would still be

responsible for obtaining a street opening permit and paying the requisite fee. As a result of this recommendation, the review team recommends that one of the street inspector positions be eliminated.

Cost Savings: \$42,247

As seen in the chart staffing, there are approximately 4.5 FTE's assigned to litter patrol in the city. Typically, there is one crew of three people who perform this service. The salary and benefit costs associated with this service is approximately \$169,246 per year. This is a six-day a week function, with the crew daily picking up receptacles on Broadway and any receptacles that are "missed" by the contractor. It is the opinion of the review team that this is basically a duplication of services with the current garbage collection contract. The current collection contract provides for each section of the municipality to have its garbage collected twice per week. This frequency is not enough when it comes to the commercial areas within Bayonne.

Recommendations:

The city should eliminate the positions associated with this litter patrol, which is a duplication of service, and amend its current garbage contract to have the contractor provide for the work being done by the municipal employees. The city should think about reallocating the cost of the collection contract to the Special Improvement District (SID) in which the users of the service, which is in excess of that provided to the majority of the city, by a special tax to fund the extraordinary service.

Cost Savings: \$169,246

There are approximately 3.5 FTE's associated with the city's recycling yard. These personnel are charged with verifying the residency of people who drop off materials, assisting them with the unloading of materials, verifying the appropriateness of the materials, using the machinery to move materials, keeping the yard clean, and transporting the materials to the market. Until recently, there were only 2.5 FTE's associated with this function.

Recommendation:

It is recommended that the yard manager position be eliminated and that the duties of verifying residency and the appropriateness of the materials, be handled by the remaining employees at the recycling yard.

Cost Savings: approximately \$40,000 (salary and benefit costs)

There is presently one person who is on the street payroll who has been assigned to the signal/repair division within the fire department. The street division can utilize this person if needed, but the great majority of his time is spent within the fire department.

Recommendation:

We recommend that this salary be transferred to the fire department since this person spends the majority of his time working with the fire department.

Maintenance of Public Buildings

There are currently 27 people assigned full-time to this section of public works. There are two people who spend half of their time in this section and 19 part-time/hourly custodial people who work at City Hall or the library. These people do all of the custodial and maintenance work on the 12 public buildings. The salary and benefit cost to the city for this division is approximately \$1,241,617. The following chart represents the functions to which the employees are assigned:

FUNCTION	NUMBER OF FTE'S ASSIGNED
* Painting and Plumbing	5.0

Carpentry and Masonry	5.0
Senior Citizen's Buildings	2.5
Street Sign & Sign Repair	2.5
City Hall – Full Time Custodial & Maintenance	6.0
City Hall – Part Time Custodians	7 People (Not FTE's)
Library – Full Time Custodial & Maintenance	5.0
Library – Part Time Custodians	12 People (Not FTE's)
Unassigned Maintenance	1.0
Employee Awaiting Retirement Position Filled	1.0
TOTALS:	28 FTE's and 19 P/T Custodians

* Includes 2 people who split their time with maintenance, but are assigned to streets.

The maintenance division was under the supervision of a general supervisor who would report directly to the superintendent of public works. Recently there was a reorganization and reclassification of titles and, as a result, the supervisor was reclassified as a maintenance worker and the division is now under the direct supervision of the superintendent of public works. There are presently four supervisors within this division: painting & plumbing, carpentry and masonry, senior buildings and street signs, and a person who oversees the night custodial work at City Hall.

Recommendation:

It is recommended that the city promote someone within the organization to act as working supervisor of the division since the superintendent will not have time to also act as supervisor to a division. This decision should only come after the city makes a decision on the competitive contracting options listed below.

Value Added Expense: \$10,000 (estimated cost of promotion)

As the review team toured the various facilities, it noted that the majority of the buildings were well maintained and clean. The employees within this division are providing a quality service to the public, but the city needs to determine at what cost this service should be provided.

As stated earlier, these employees do all of the maintenance and custodial work on 12 public buildings. From records obtained from the department, it was estimated that there are approximately 270,415 square feet that is cleaned and maintained by these employees. Excluding the 2.5 FTE's which are assigned to the city's sign and repair function, there are 24.5 FTE's and 19 part-time/hourly custodians who do the custodial and maintenance work. Based upon their salary and benefit costs of \$1,133,782, it is costing the city approximately \$4.19 per square foot to provide this service (excluding supply and material costs). The LGBR program uses a private sector benchmark of approximately \$1.00 per square foot to provide high quality custodial work and approximately \$0.51 per square foot to provide building maintenance work. As a result, the city is spending approximately \$2.68 per square foot more than the cost of a private contractor.

The following chart shows the costs and potential savings of competitive contracting for the custodial and maintenance services at the City Hall/Firehouse complex, the library, and at the two senior citizen buildings:

Facility	SQ. FT.	# Employees	Salary & Benefit	Est. Contract Costs	Savings
City Hall/Firehouse	102,250	6 FTE & 7 PTE	\$311,244	\$154,398	\$156,847
Library	43,840	5 FTE & 12 PTE	\$244,730	\$66,198	\$178,532
Senior Citizen	17,360	2.5 FTE	\$102,028	\$26,214	\$75,814
TOTALS:	163,450	13.5 FTE&19 PT	\$658,002	\$246,810	\$411,193

Recommendations:

It is recommended that the city explore contracting for the custodial and maintenance work in these three facilities. If the city does not choose to contract for these services, then the city needs to reorganize this function using lay-offs and/or attrition to reduce its costs to be equal to what could be obtained through competitively contracting.

Cost Savings: \$441,193

Whether the city competitively contracts for the custodial and maintenance services or uses city employees, the city needs to ensure that there are licensed boiler operators inspecting the city's facilities. In the future, the city should investigate the possibility of having the boilers connected to an alarm system to notify the correct personnel if there are problems that need to be addressed immediately.

In addition to these maintenance personnel, there are also 11 FTE's who maintain the rest of the city buildings (four fire houses, one fire house/DPW facility, one recreation building, Veteran's Stadium, and the municipal pool) and perform the city's trade oriented maintenance, such as painting, plumbing, masonry, and carpentry, on all of the public facilities. There is no custodial work done by DPW employees in these buildings, since the occupants of the buildings maintain them. The size of the remaining eight facilities is approximately 106,965 square feet and the total salary and benefit cost of the 11 FTE's is approximately \$475,780. According to the LGBR benchmarks, it should cost the city approximately \$0.51 per square foot, or \$54,552 to maintain these buildings under a competitive contract. This, however, is not a fair comparison since these personnel do a lot of work, which would not be covered under a competitive contract for maintenance services. While this is the case, the review team feels that these areas within the maintenance section are overstaffed, but we do not have a benchmark to compare the costs.

Based upon the custodial and maintenance savings above, the review team feels that the city could conservatively save 25% or \$118,945 in salary and benefit costs by either finding a competitive contract for trade maintenance or downsizing in this area.

Recommendation:

It is recommended that the city explore contracting for the city's trade maintenance services or explore the possibility of reducing personnel in this area.

Cost Savings: \$118,945
(approximately salary and benefit costs, if 25% of these costs could be saved)

Quality of Life

A few years ago, the city created a quality of life office designed to be the "central complaint" office for the residents of Bayonne. This office takes complaints from residents and facilitates a response to remedy the situation. In order to make things easier for the residents, the city set up a hotline for complaints. This office presently consists of one person who takes all of the complaints, facilitates the remedy, and then follows up with the resident.

Recommendation:

The review team believes that this type of immediate and personal response by the city should be considered a best practice. At one point, this office consisted of three other inspectors who assisted the person who is presently filling the position and actually remedied problems. The review team believes that there is no need for additional personnel in this office, because this office should only facilitate problems being remedied and shouldn't do the work of other city departments.

Sewer

As shown in a prior chart, there are 15 personnel who deal with the city's sewer work. There are a superintendent and two supervisors who oversee the operations. The total salary and wage costs for this function is \$663,841 and there was \$16,617 in overtime for the fiscal year 1998. The division has 22 pieces of equipment at its disposal to complete the tasks given to it.

The city has a very old sewer system, most of which was built about 100 years ago. The system is a combined system in which the sewer lines hold both sanitary and storm flow. There is a huge inflow and infiltration problem for which the city is paying by the processing of storm flow which is ending up in the system. As a result, the NJDEP has ordered the city to do some capital improvements to help eliminate this problem.

It would cost the city tens of millions of dollars to completely replace the sewer system, so the division basically works in a reactionary mode. There is very little preventative maintenance being done by the employees because they spend so much of their time reacting to problems.

The city basically operates a secondary treatment facility, in which they do minor screening and processing of the sewage flow before it is pumped to the Passaic Valley sewer plant through Jersey City. The city operates two pumping facilities, three minor storm sewer pump stations, and two minor sanitary sewer pump stations. There are two employees assigned to the secondary pumping facility, so there is coverage for 16 hours per day. This facility is quite old and there are no alarms on the equipment if problems arise. The main pumping facility is where the rest of the sewer employees work. These employees will do work around the plant, do sewer main work, clean out catch basins, and respond to any emergencies. This main plant is only staffed from 8:00 a.m. to 4:00 p.m., because it is equipped with alarm equipment to monitor the system for the other hours in the day.

Recommendation:

While there were no material deficiencies or substantial cost savings determined by the review team, an opportunity to reduce the city's current fund budget is available. The city created the Bayonne Municipal Utilities Authority, and the review team feels that the entire sewer operation should be transferred to that Authority, with its costs now being borne by the users of the sewer system, instead of being based on property taxes. The Authority should form an agreement so that all of the vehicle and equipment maintenance is still done by the city mechanics.

Cost Savings: \$663,841 in salary and benefit costs and \$16,617 in overtime costs to be transferred from the current fund budget to the authority. Residents should realize that this is not a savings, but rather a transfer to a different entity, in which the costs would be distributed more fairly among the users.

Gasoline

The city has a contract for the purchase of gasoline and diesel fuel with a local gas station. According to the contract, the facility must be open for 18 hours each day to service city vehicles. The contract calls for the contractor to be paid approximately \$0.24 per gallon more than the rack rate, which is basically the same price on the State of New Jersey contract. For the calendar year 1998, the city purchased 32,787 gallons of diesel fuel and 142,003 gallons of 87-octane gasoline.

According to personnel in the police department, having a gas station that is only open 18 hours per day has caused some problems to them in the past. There are times when officers must leave their post and exchange cars because the gasoline levels are low. Since the police department, as well as the fire department, provides 24 hour service to the public, they should have access to a facility which can meet all of their needs. There are times in which the police service is disrupted because of not being able to fill up with gasoline at the beginning of the night shift.

Recommendation:

The next time the gasoline contract is up for renewal, (June 30, 2000) if the city does not create its own gasoline facility, the city should amend its bid specifications to ensure that any fueling facility has 24 hour access for municipal vehicles.

The reason why the city does not have its own fueling facility is that there were potential environmental hazards with continuing the use of the municipal facility. As a result, the city was not willing to spend the money associated with bringing the facility up to acceptable standards. As a result, the city is paying approximately \$41,950 more per year in gasoline costs to the contractor because they don't want to pay to construct a new fueling facility.

It has come to the attention of the review team that the MOTB facilities may be given to the city once the military leaves the facility. If this occurs, the city should explore the option of refurbishing the fueling facility that is presently on the site and purchase its gasoline off the state contract. This would include the purchasing of above ground storage tanks, filling the underground tanks, purchasing a fuel tracking and inventory control system, etc. If this refurbishing would cost less than \$41,950 per year in capital/debt service costs, which the review team feels would be feasible, it would be in the best interests of the city to refurbish the fueling facility. In the long run, the city would be saving money and would be able to provide 24 hour fueling access to the municipal vehicles.

Recommendations:

The city should explore the option of refurbishing the fueling facility on the MOTB base if the facilities are given to the city. The review team feels there is a definite cost savings opportunity to refurbishing the existing facility for municipal use.

Cost Savings: \$ Depends on the cost to refurbish the facility.

If the city goes through with this option and creates a municipal facility, it should entertain a shared service opportunity with the board of education to save the taxpayers even more money.

RECREATION

The Division of Recreation and Cultural Affairs organizes and conducts a program of recreational activities for all the residents of the City of Bayonne. In addition to athletic activities, the program includes a travel club, an outdoor club, arts and crafts, summer day camps, a municipal pool, and cultural activities including concerts in the park and celebrations of public holidays.

The county maintains two parks, the 97.6 acre Bayonne Park along Newark Bay in midtown, and the 5.5 acre Mercer Park on the city's northern border with Jersey City. The Bayonne Parks Department maintains 13 parks (56.9 acres) and 15 playgrounds (2.2 acres) in various sections of the city. There is also an indoor skating facility, a swimming pool facility, and Veterans Memorial Stadium with 4,200 permanent seats and room for more. In addition to maintaining baseball diamonds, soccer and bocce fields, basketball courts, tennis courts and jogging and bike trails, the parks department oversees little league and senior citizen activities.

The Division of Recreation and Cultural Affairs is part of the Department of Public Works, Parks and Recreation. There is a supervisor in charge of the division with four assistant supervisors in charge of various sub-divisions of the program. (During our review the city moved all employees in temporary titles back to their permanent titles. This resulted in three of the four assistant supervisors reverting to lesser titles.) In addition, there are 10 full-time employees and more than 100 part-time employees involved in the program. Of the \$1,016,000 budgeted for the recreation program, over 85% is used for salaries and wages.

The recreation program provided by the City of Bayonne is extensive and it includes a wide variety of activities designed to meet the interests of all members of the community. The recreation department plans and schedules the activities, supplies the equipment, arranges for facilities in which to conduct the activities and provides officials and staff to conduct the activities. The program in the city is provided at no charge to the residents. Included in this free program of activities are a pre-school program, a summer day camp and transportation to activities outside the city. The municipal pool charges a nominal per diem fee which does not cover the operational cost of this facility. The preschool program provides childcare for approximately 180 children at no cost to the parents and the summer recreational day camp accommodates 450 campers in an all day program five days a week at no cost.

A major component of the recreation program sponsored by the city is the athletic program. According to the activity reports, which are prepared for each program and submitted to the recreation department, between 4,350-4,400 residents participated in athletic activities during the 1998 fiscal year. Over 3300 of these participants are high school age or older. The range of activities includes baseball, basketball, softball, bowling, tennis, golf, flag football, floor hockey, volleyball and swimming and each activity is broken down into separate programs by age group. There are two full-time assistant supervisors in charge of this program and eight full-time employees. Part-time employees supervise the after school and evening activities. Approximately \$161,000 is reflected on the activity reports as the costs for salary and materials for these programs during 1998. Adult athletic activities account for 57% of these costs.

Recommendation:

It is recommended that the recreation department establish a fee schedule for the adult athletic programs sponsored by the city to cover part of the cost for salaries and materials associated with the operation of these activities. Over 3,300 residents participated in athletic activities designated for high school age and older during 1998. Based on that number of participants, a registration fee of \$20 would produce \$66,000, which would substantially reduce the cost of these programs to taxpayers.

Cost Savings: \$66,000

In addition, the recreation department also sponsors a program for the handicapped, which operates five days per week, twelve months per year. The activities provided as part of this program include bowling, arts and crafts, ice-skating and swimming as well as trips to museums, the theater and other special activities. There is a full-time supervisor in charge of this program,

which serves approximately 75 clients ranging in age from 5 to 65 years. Two full-time employees and twelve part-time employees staff the program. This is a well-organized program, which provides a valuable service to the community.

The Department of Recreation also sponsors an arts and crafts program, which is open to all residents. This program which is housed in the senior citizens building, provides a daily agenda of activities for seniors, the handicapped and an after school program for children ages 7-13. There is an assistant supervisor in charge of the program who is its only full time employee. During the summer, additional part time help is employed and the program is conducted in the city parks.

The G. Thomas Di Domenico Municipal Pool is an integral part of the summer recreational program in Bayonne. This facility functions from Memorial Day through Labor Day and it provides activities for a wide cross section of the community. The pool complex is located in an attractive setting that is well maintained and it is in operation seven days a week from morning until evening. There is a concession stand located on the site and picnic tables to accommodate the public. In the 1998 pool season that began on May 23rd and ran through September 7th there were a total of 89 days in the season. The following table illustrates the revenue sources and the fee structure for the pool for this season:

Category	Fee Per Day	Number	Revenue
Children	\$0.50	15,879	\$7,939.50
Adults	\$1.50	17,963	\$26,944.50
Seniors	\$0.75	1,257	\$942.75
Organizations	\$1.00	1,740	\$1,740.00
Camps	No Charge	10,668	-
Totals	-	47,507	\$37,566.75

In addition to admission charges, the pool also generated \$48,253.36 in revenue from the operation of the concession stand. The total revenue from the pool operation for the 1998 season was \$85,820.11. For the 1998 fiscal year the expenditures for the municipal pool were \$57,933 for repairs materials and supplies and \$85,939 for salaries which totals \$143,872. Operational costs exceeded revenues by \$58,052.

Recommendations:

It is recommended that the city revise the fees for the municipal pool with the goal of making this facility self-supporting. At the present time the fees are quite low and they do not generate the revenue required to operate this facility. In addition to the fee structure, the food concession should be producing a greater profit than it does and this revenue could further reduce the deficit of the pool operation. The city should investigate privatization of the concession as a way of improving the potential profit from this operation.

Revenue Enhancement: \$58,052

The City of Bayonne is proud of the program of recreational activities that it provides for its residents and the officials in the community believe that it is an appropriate function of local government to provide such a program. The governing body is also interested in reducing or at least containing the cost of government. At the present time the recreation program is supported entirely by property taxes with some state and federal grant support. In order to achieve its goal of controlling local property taxes without eliminating programs, consideration should be given to establishing a fee structure to offset part of the recreation department's operational cost.

Bayonne does an excellent job of providing recreational programs to its residents. To more fairly allocate the costs of providing these programs to users of the programs, the city should develop and implement a formal, written recreation fee policy that includes a written fee schedule adopted by ordinance to offset part of the operational costs.

Bayonne Municipal Utilities Authority

On July 1, 1996, the city entered into an agreement with the North Jersey Water District Supply Commission for a 20 year lease of the city's water system. The city felt that the water utility was an under-performing asset. North Jersey would perform all of the operations and maintenance of the water system, including billing and collections. North Jersey was obligated to pay the city a \$25 million project fee payable over three years, retire \$2 million of existing water utility debt, and contribute \$3 million over the life of the lease to a Capital Improvement Fund. North Jersey agreed to retain the existing water utility employees, and compensate the city for any water employee who remained on the city payroll for a period of one year. Subsequently, a suit was filed and the New Jersey State Supreme Court ruled the contract to be invalid. During the interim, the city entered into an agreement with North Jersey to operate the system. North Jersey made a payment to the city of \$1.5 million in June, 1997, and retained the water utility employees, or reimbursed the city for water utility employees on the payroll.

Subsequently, the city created the Bayonne Municipal Utilities Authority (BMUA) in October of 1997. The BMUA purchased a lease of both the city's water and sewer systems in return for a fee of \$23,500,000 and the right to operate the system. This allowed the city to retire existing debt, as well as realize monies anticipated in the SFY98 budget. This provided for tax stabilization for that year.

The BMUA issued revenue bonds in order to pay the fee of \$23,500,000 pursuant to the interlocal services agreement between the city and the BMUA. The mechanism for retirement of those bonds would be the proceeds from fees generated by the retail sale of water. The rate structure currently called for in the ordinance is sufficient to provide adequate revenues for this purpose. The BMUA has contracted with an outside vendor on an interim basis for the operation and maintenance of the water system, and is exploring other options, including running the BMUA in-house, to ensure a maximum return to the BMUA and its ratepayers.

The BMUA contracted with the city to provide sewer services using city employees. At the time of this review, the BMUA had one part-time employee, an executive director. This individual also works for the city, holding dual positions and titles.

Recommendation:

We recommend the MUA discontinue the subcontract with the city for the provision of sewer service. This is discussed further in the public works section of this report.

Billing and Collection

At the time of our review, the MUA sub-contracted with an outside vendor to manage and operate the water portion of the operation. The team was informed that the vendor had improved billing and collection services at less cost to the city. The team observed and reviewed the water billing and collections portion of the operation, which appeared to be efficiently run. The hardware and software that is provided through the sub-contract is a significant part of the success of this operation. According to the staff, they have pursued outstanding water bills from prior years, which has resulted in 99% of the former billing problems being resolved.

Under the vendor contract, the city was provided with a number of supervisors that were employees of a separate subcontractor. When the vendor eliminated this subcontract, the city lost a number of supervisors. One of these was in the billing and collection office. During the period of the team's observations it did not appear that the loss of this position was significant to the operation. The staff, when interviewed, confirmed this observation. It appears three persons in the office, one designated as senior staff, are sufficient to handle the amount of payments received by mail and to handle the number of individuals that come in person to pay their bills. If one of the three individuals happens to be out, the vendor sends a replacement staff person to fill in. This staff replacement is a bonus that would be very costly for the city/MUA to provide for itself.

The vendor also handles water meter reading and repair as part of the billing and collection function. The individuals that read the meters also repair the meters. The vendor water service employees in the billing office indicated that they were short staffed. However, it did not appear to have affected their ability to complete their work in a timely fashion, from either a meter reading or billing standpoint.

Water Purchased from North Jersey

The city is a member of the North Jersey Water Partnership. One of the stipulations for the city to enter the partnership included the city agreeing to purchase 10.5 million gallons per day. The city is currently billing for approximately 7 million gallons per day. While 10.5 mgd leaves the gatehouse in North Arlington, only 9 mgd arrives in Bayonne at the city line. It appears from discussions that the city is losing 1.5 mgd due to leakage in the aqueduct. There is also the unaccounted for 2 mgd, the difference between what is coming into the city and what the city is billing for, that has not been addressed. The lack of action, on this costly loss of water, is the result of a number of issues. This includes the lack of a long-term contract for the operation of the water service, resulting in an unwillingness to invest in the system, and there is, evidently, a long-standing reactive mode of operation by the city rather than a proactive mode of operation.

Capital Improvements to Water System

The MUA needs to create a capital plan for both the water and sewer systems, and a schedule for implementation. There has evidently been minimal maintenance and/or leak testing in the system. The city has done some repair and relining of the lines when problems arise.

Aqueduct/Transmission Line

Sale of this line would save the BMUA money, as it is very expensive to repair due to contaminated soils they frequently find when digging. No one was able to provide any concrete figures on what they have spent on repairs. Selling the line would also provide them with a good shot of funds to either retire some debt or to invest in a capital planning initiative. North Jersey was evidently interested in purchasing the transmission line, but the city needs the agreement of the other partners in the partnership, which didn't happen. Another option would be for the city to lease the line to North Jersey, which would provide less money.

One-time Estimated Revenue: \$16 - \$20 million

POLICE DEPARTMENT

At the beginning of this departmental review (10/98), the Bayonne Police Department consisted of 211 sworn officers, including those being trained at the police academy, 32 civilians and 60 crossing guards. According to the city ordinances, there is no authorized staffing level for the entire department, but there are authorized staffing levels for the ranking officers (sergeants – chief). According to the ordinance, there is supposed to be one chief, two deputy chiefs, seven captains, eleven lieutenants, twenty-four sergeants, and an unspecified number of patrol officers (determination as needed). Additionally, the department is now supposed to report to a police director. At the time of review, the mayor was filling this position, so there was no additional cost to the city to fill this position.

The review team does not feel that a police director is warranted, since there is a chief of police. However, the city should be commended for appointing the mayor to the position instead of having the position filled by an additional paid employee.

The department does not have a formalized mission statement that could be given to the review team. According to the municipal code, the duties of the department are as follows:

1. To preserve the public peace, protect life and property, prevent crime, detect and arrest offenders against the penal laws and ordinances effective within the city.
2. To administer and enforce laws and ordinances to regulate, direct, control and restrict the movement of vehicular and pedestrian traffic...to protect the safety and facilitate the convenience of motorists and pedestrians.
3. To remove or cause to be removed all nuisances in the public streets, parks and other public places of the city...to inspect and observe all places of public amusement or assemblage and all places of business requiring any state or municipal license or permit.
4. To provide proper police attendance and protection at fires.
5. To provide for the attendance of its members in court as necessary for the prosecution and trial of persons charged with crimes and offenses.
6. To operate a training program to maintain and improve the police efficiency of the members of the department.

Having a mission statement that is up to date is essential to the effective operation of any police department. Police work is ever changing, and as such, departments need to routinely assess how they operate in dealing with the needs

of the municipality. When a department has an up to date mission statement, it infers that the department has carefully analyzed the workload, crime data, and trends to determine the needs of the municipality and the actions to be taken by the department to fulfill those needs. Having an up to date mission statement allows the department to focus on objectives and needs, rather than just maintaining the status quo.

Recommendation:

The department should create a mission statement that reflects the needs of the community and the actions to be taken by the department to fulfill those needs. This mission statement should be updated on an annual basis, so as to allow the department to focus its mission.

According to payroll records for the fiscal year 1997-98, the department spent approximately \$11,565,248 in salary and wage costs for uniformed police personnel (includes overtime) and \$2,976,310 in direct benefit costs. This results in a salary and benefit cost of \$14,541,558 for uniformed employees. Additionally, the department spent approximately \$506,390 in salary and wages (includes overtime) and \$213,915 in direct benefit costs for civilian personnel assigned to police only functions (records, police desk, secretaries, etc.). This results in a total salary and benefit cost of \$720,305 for police civilians. Finally, the city spent approximately \$569,236 in salary and wages (including overtime) and \$186,088 in direct benefit costs for the police and fire dispatchers and \$490,881 in salary and wages and \$404,237 in direct benefit costs for school and park crossing guards. This results in a total salary and benefit cost of \$755,324 for the police and fire dispatchers and \$895,118 for school and park crossing guards. Overall, the city spent approximately \$16,912,305 in salary and benefit costs on the entire police function during the fiscal year 1997-98, or 27.05% of the \$62,524,636 of total city expenditures. If the other line item expenditures within the department of \$552,270 were added to the salary and benefit costs, the total police department expense would be approximately \$17,464,575 or 27.93% of the total city expenditures.

It is the opinion of the review team that this department provides a quality service to the residents of Bayonne. In looking over the Uniform Crime Report (UCR) statistics for the past few years, it was seen that Bayonne experienced a substantial reduction in its criminal activity, as was the trend in many other New Jersey cities. Additionally, Bayonne has (as of 1997) the lowest crime rate per thousand in Hudson County as well as in the State of New Jersey's "Urban 15" municipalities. In addition to the high level of professionalism found within the department, the review team attributes these facts to a few reasons besides the professionalism found within the department: 1. It has been the national and state trend that crime statistics have decreased during the 1990's; 2. The institution of a community policing program in Bayonne; and 3. The

city is basically surrounded by water, making it less traveled and easier for the officers to patrol and monitor the city's borders. Below are some charts which reflect the City of Bayonne's UCR statistics:

COMPARISON OF HUDSON COUNTY MUNICIPALITIES (1997)						
MUNICIPALITY	Crime Index Total	Violent Crime	Non-Viol. Crime	Crime Rate Per 1,000	Violent Crime Rate Per 1,000	Non-Viol. Crime Rate Per 1,000
Bayonne City	1,653	187	1,466	27.3	3.1	24.2
East Newark Borough	63	15	48	29.4	7.0	22.4
Guttenberg Town	261	11	250	31.6	1.3	30.2
Harrison Town	661	79	582	49.9	6.0	43.9
Hoboken City	1,502	138	1,364	45.3	4.2	41.2
Jersey City	15,808	3,786	12,022	69.0	16.5	52.5
Kearny Town	1,919	152	1,767	54.7	4.3	50.3
North Bergen Township	2,223	119	2,104	46.2	2.5	43.7
Secaucus Town	866	27	839	62.6	2.0	60.7
Union City	2,754	357	2,397	48.2	6.2	42.0
Weehawken Township	625	31	594	49.6	2.5	47.2
West New York Town	1,874	228	1,646	49.7	6.0	43.7
HUDSON COUNTY	30,209	5,130	25,079	54.8	9.3	45.5

COMPARISON OF THE STATE OF NJ "URBAN 15" MUNICIPALITIES (1997)							
MUNICIPALITY	County	Crime Index Total	Violent Crime	Non-Violent Crime	Crime Rate Per 1,000	Violent Crime Rate Per 1,000	Non-Viol. Crime Rate Per 1,000
Camden City	Camden	9,136	2,412	6,724	107.7	28.4	79.3
Jersey City	Hudson	15,808	3,786	12,022	69.0	16.5	52.5
Paterson City	Passaic	7,234	1,465	5,769	48.1	9.7	38.4
Elizabeth City	Union	9,829	1,187	8,642	89.2	10.8	78.5
Newark City	Essex	29,713	7,346	22,367	110.7	27.4	83.3
Trenton City	Mercer	6,254	1,239	5,015	73.2	14.5	58.7
Vineland City	Cumb.	3,231	414	2,817	57.8	7.4	50.4
East Orange City	Essex	5,756	1,142	4,614	81.6	16.2	65.4
Irvington Town	Essex	6,233	1,568	4,665	106.7	26.8	79.8
Bayonne City	Hudson	1,653	187	1,466	27.3	3.1	24.2
Union City	Hudson	2,754	357	2,397	48.2	6.2	42.0
Woodbridge Twp.	Middle.	3,918	383	3,535	41.4	4.0	37.3
Dover Township	Ocean	3,512	220	3,292	41.9	2.6	39.3
Clifton City	Pas.	2,659	169	2,490	37.3	2.4	34.9
Passaic City	Passaic	4,033	763	3,270	70.7	13.4	57.3
"Urban 15" (1997)		111,723	22,638	89,085	72.7	14.7	57.9

COMPARISON OF BAYONNE'S UCR STATISTICS SINCE 1990						
Year	Crime Index Total	Violent Crime	Non-Viol. Crime	Crime Rate Per 1,000	Violent Crime Rate Per 1,000	Non-Viol. Crime Rate Per 1,000
1990	2,496	325	2,171	40.6	5.3	35.3
1991	2,213	327	1,886	36.0	5.3	30.7
1992	2,212	338	1,874	36.0	5.5	30.5
1993	2,046	305	1,741	33.3	5.0	28.3
1994	1,926	264	1,662	31.3	4.3	27.0
1995	1,846	255	1,591	29.6	4.1	25.6
1996	1,702	230	1,472	27.3	3.7	23.6
1997	1,653	187	1,466	27.3	3.1	24.2

As stated above, the review team feels that the department provides a quality service to the residents of Bayonne. The review team also feels that the city is expending an excessive amount of money to provide the service to the residents. The recommendations made below are intended to enhance efficiency and promote cost-effectiveness, not identify deficiencies within the department.

This report deals with the police function and the community as they were observed when the review was in progress. The review team did not take into account any effects that might occur as a result of the Military Ocean Terminal (MOT) being transferred to the control of the city. The reason this was not addressed is that there was no clear plan as to how the facility will be utilized/developed.

Recommendation:

We recommend that the police department take an active role in the MOT facility. The department needs to keep abreast of how the facility will be utilized/developed in order to properly plan for necessary police functions.

Towards the end of the review process, the team became aware of additional grant opportunities for the City of Bayonne. It was told to the review team that the department had the capability of hiring six additional officers through an already approved grant and it had requested funds for the hiring of 22 additional officers through two different grants. It was implied to the review team that the city is beginning to staff the police department in preparation for what might come in the future because of the MOT facility.

Recommendations:

Since there is no final plan on how the MOT facility will be utilized/developed and since that will not happen for some years, we recommend that the city delay staffing the police department based upon what might occur as a result of the MOT facility.

Within this report there are recommendations that would reduce uniformed staffing levels, especially if the city were to change its work schedule, without reducing the level of service to the residents. If the city decides to effectuate these changes, the city must be aware of minimum staffing levels that must be maintained as a result of receiving grant funding from the Federal Government. According to departmental records, there are 23 officers currently being funded through COPS grants and 8 officers currently being funded through the State of New Jersey's Police Community Partnership Grant. Upon receiving federal grant funding, the city must maintain its current staffing levels, in addition to any new hires as a result of grant funding for the life of the grant. If a department were to fall below the minimum staffing levels, they would be required to pay back all of the money that was granted them. Additionally, when the grant funding runs out, the department must make a good faith effort to maintain the

personnel hired under the grant program. As a result, the city must reduce the staffing it deems necessary through attrition or by laying off officers not hired through the grant program.

Municipalities should be aware of the future financial implications when participating in grant programs to fund the hiring of police officers. As the grant funding is phased out in these programs, the taxpayer must pick up the cost of maintaining these officers.

Patrol Bureau

The patrol bureau is under the command of a deputy chief who reports directly to the chief. The patrol bureau consists of the patrol function, which consists of three separate shifts, and the traffic division. This bureau is charged with responding to calls for service, providing routine patrols, enforcing traffic regulations, and ensuring the maintenance of the department's vehicle fleet.

Traditional Patrol

The patrol function, as stated above, is split into three shifts: day shift (8:00 a.m. – 4:00 p.m.), evening shift (4:00 p.m. – 12:00 a.m.), and a midnight shift (12:00 a.m. – 8:00 a.m.). There is a captain in command of each of the patrol shifts, with one additional captain being employed as a relief commander to cover for absences during the evening or midnight shifts. At the time of the review, the officers in the patrol function were working a 5 – 3 schedule, with eight hour shifts, in which the officers work for five days followed by three days off. Each of the patrol shifts, because of the schedule being worked, is divided into eight squads, with five squads being on duty each day and three squads being off duty. As a result of this schedule, and coming into work an additional three days per year for training, the officers have an average annual work year of 1,844 hours, or an average work week of 35.5 hours. This work year is 236 hours less than a standard work year of 2,080 hours with a 40 hour work week. As will be shown later in the report, the work week and schedule have a profound effect on the number of officers needed to provide the same level of police service to the residents of Bayonne.

At the time of the review, there were a total of 110 uniformed officers assigned to the patrol function. There was a split of 25 supervisory officers and 85 patrol officers. The following chart represents the staffing levels of the three patrol shifts:

RANK	DAY SHIFT	EVENING SHIFT	MIDNIGHT SHIFT
Captain *	1	1.5	1.5
Lieutenant	2	2	2
Sergeant	5	5	5
Patrol Officers	25	30	30

*** There is a relief captain who covers for absences on the evening and midnight shifts.**

According to the command personnel of the department, the minimum number of officers that are needed each day for each patrol shift is eleven. There is no differential for different times of the day which produce varying levels of police activity. During 1997 (the last full year before the review), the department responded to 69,767 calls for service. Of these calls for service, 13,536 were attributable to the Community Oriented Policing Unit (COP) and 56,231 were attributable to the patrol function.

During the review, the department supplied the review team with the year-to-date (11/10/98) number of calls for service and when these calls were taken during the day. According to its records, there were 55,066 calls for service year-to-date. If this number were used to estimate the calls for service for the entire year, the total calls for service for 1998 would be approximately 64,010 or approximately 5,757 less than 1997. In analyzing when these calls for service were received, it was found that 38.26% of the calls were during the day shift, 42.71% were during the evening shift, and only 19.03% were during the midnight shift. In looking at these numbers, the review team does not feel that the officers within the patrol function are distributed properly.

Recommendation:

The city should do a historical analysis of its calls for service to determine how the workload is distributed throughout the day. Once this is done, the department should staff each of the patrol shifts to reflect the amount of officers to deal with the actual workload of the city.

The day patrol shift has a 45-minute meal break during its shift, while the other patrol shifts have a 30-minute meal break. This results in each day shift officer having approximately 50 more hours on break per year than on the other shifts. Using an average salary and benefit cost of \$36.79 per hour for patrol officers, \$42.05 for sergeants, \$48.50 per hour for lieutenants, and \$56.32 per hour for captains, the cost of lost productivity for these additional 15 minutes per day is \$64,167. The team does not believe there is any reason to continue allowing an extra 15-minutes for meal breaks on the day shift. This practice should be discontinued to bring the day shift meal break in line with the rest of the departments.

Recommendation:

It is recommended that during the next round of labor negotiations the city should try to limit the day shift meal break to 30 minutes, so as to be in line with the meal break that is allotted to the other patrol shifts.

Productivity Enhancement: \$64,167

It was noticed by the review team that the majority of patrol officers did not seem to embrace the concept of community policing (SEE COMMUNITY ORIENTED POLICING SECTION FOR MORE DETAIL). Officers also expressed to the review team that they did not know the community areas they were patrolling. This was due to the fact that officers are not assigned to steady patrol sectors within the city. We feel that if officers are assigned to the same patrol sectors as much as is feasibly possible, with rotating due to absences, patrol officers will become participants in the program areas that the Community Oriented Policing (COP) unit supports and they will be able to be rotated from the sector car assignments into the COP assignments.

Recommendation:

We recommend that the patrol function begin assigning officers to steady sectors as much as is possible, so as to create a more knowledgeable officer in that area and to encourage the concept of community policing.

Traffic Division

This unit is commanded by a sergeant and is staffed with eight patrol officers and a civilian clerk. This unit is located in an office at the public works garage on Hook Road. The division is responsible for:

- traditional traffic enforcement duties and crash investigations;
- operating radar cars and motor units;
- reviewing, investigating and assisting in establishment of traffic ordinances;
- administering the police vehicle impound yard and conducting quarterly public auctions;
- coordinating the service and repair of all department vehicles with the central maintenance garage; and
- accepting handicapped parking applications, investigating the application requests, collecting renewal fees, and maintaining associated records.

The division's uniformed officers work a 5 on, 2 off, 4 on, 3 off, schedule of eight hour days in which they work five days, followed by two days off, followed by four days of work, and followed by three days off. As a result, the division is staffed seven days per week, with the day shift working from 7:00 a.m. to 3:00 p.m. and the night shift working from 2:00 p.m. to 10:00 p.m. This schedule, after receiving three additional days off to compensate for additional time worked, averages a work year which is similar to what is worked on patrol: 1,844 hours per year or an average work week of approximately 35.5. The civilian clerk works a traditional Monday through Friday schedule from 8:00 a.m. to 4:00 p.m, 8 hours minus lunch, a 35 hour work week for 1,820 hours per year.

The division is very aggressive in running the quarterly auto auctions. It conducts the auctions after examining all vehicles to determine which vehicles can be sold with junk titles and which can be sold with clear titles. This is a very difficult and time-consuming task, which is one of the reasons why many other department auctions are offered by the lot and not by individual title. This practice maximizes the value of the cars and increases the monies returned to the city, in that salvage dealers are not going to be able to buy the entire lot of cars and pay a lower price to take

away the “unsellable” cars. The division managed to average \$167.47 on the 140 vehicles sold for the third quarter 1998 auction, which is quite good. In addition to examining the vehicles to clear titles, the division also selects cars that are suitable for police department use and has them transferred to the police department prior to the sale.

We commend the department for maximizing the monies available to the department through the auto auction and for eliminating the need to purchase vehicles as often by transferring suitable vehicles to the department for usage in non-emergent functions.

The team feels that all the traffic activities that take place in Bayonne should be grouped so that responsibility can be firmly fixed with one unit or division. In addition to the above listed activities, the team believes the following activities should be included under the traffic division:

- **Enforcement of parking meter violations and bus stop, street cleaning, and other city parking ordinances.** These functions are currently performed by the Bayonne Parking Authority. The authority has eight parking enforcement officers who use (2) three-wheel patrol vehicles and who are equipped with hand-held computers to record violations. The review team feels that these personnel can be effectively supervised by the traffic division and they do not need to have a separate administration. Once they are transferred to the police department, the parking enforcement officers should be given new uniforms which will not be confused with sworn officers, so as to protect their safety, since they are not armed and do not have communication equipment.
- **DWI Enforcement Grant Program.** This program is now being run from the planning and training office and the review team feels that this is a function more appropriately run from the traffic division.
- **Supervision of the crossing guards.** The crossing guards are now under the direct supervision of a civilian who reports to one of the patrol sergeants. Since this function is more closely aligned to traffic, instead of patrol, it should be moved under the traffic division.

The traffic division deals with the parking applications, investigations, renewals, and collection of fees for the city’s handicapped parking permits. We believe that the records/identification bureau has the clerical support to more effectively deal with the paperwork and money collection associated with this function, and that these duties should be transferred. We do feel, however, that the traffic division should still be used to perform the site review and verify the applicant’s compliance with the terms of the handicapped ordinance.

Recommendations:

We recommend the city transfer some of the above mentioned handicapped permit activities to the records/identification bureau.

All of the proposed recommendations will ultimately double the workforce and duties which are assigned to this division. As a result, the span of control is too much for one supervisor to handle. We feel that the organization, besides the functions that were recommended to be transferred into the traffic division, should include one lieutenant, one sergeant who will act as a working supervisor of the traffic function, seven patrol officers, and one civilian clerk. This will result in an increased salary and benefit cost to the division of approximately \$21,586.

Initiate the promotion of uniformed personnel to match the organization stated in the above paragraph.

Value Added Expense: \$21,586 in salary and benefit costs

In bringing the parking enforcement function under the control of the police department, the department would be able to access the three-wheel patrol vehicles that are presently being used only by parking enforcement officers during the day. We feel that these vehicles could be used effectively by the patrol bureau in the evening and on days that the parking officers are not using them. These vehicles could be assigned to an officer on a post which usually is designated as a "walking post," so as to provide the officer more mobility, shelter from inclement weather and greater visibility in the neighborhood. The vehicles would also allow officers to be called away for assistance in other areas of the community, could be used to block off a street, would be a place to write a report and would not be as intimidating to a neighborhood as a police car, so as to effectuate police and citizen contact. The department would need to equip the vehicles with equipment similar to what is found in a patrol car. The purchase cost of these type of vehicles and the operating cost of these vehicles are generally much lower in comparison to patrol vehicles, so it is seen by the review team as an attractive option to make officers more mobile and to increase the fleet without any capital costs. We feel that these vehicles can be used as a pilot program and if they prove effective, more can be purchased later.

Recommendation:

It is recommended that the parking enforcement vehicles, currently owned by the parking authority, be made available to uniformed officers when not being used.

Crossing Guards

The crossing guards for the City of Bayonne are under the direct supervision of a civilian who reports to a sergeant on patrol. The civilian supervisor is assisted by one person who splits her time doing office work and covering posts when absences occur. At the time of the review, there were 39 full-time crossing guards and 21 (varies) per-diem crossing guards who cover 54 posts during the school year, approximately 34 posts during the summer (mainly because of the extensive summer recreation program and municipal pool), and 12 posts on Sundays for pedestrians going to church. These guards work four hours per day during the week, and those guards who work on Sunday work for five hours on that day. The per-diem crossing guards are paid a salary of \$7.75 per hour, while the full-time crossing guards are paid \$10.10 per hour. The full-time crossing guards also receive full medical benefits, eight vacation days and eight sick days, and are entitled to longevity payments of \$0.25 extra per hour when they reach 10 years of service and an additional \$0.25 extra per hour when they reach their 15th and 20th years of service. It was told to the review team that it is now the practice of the city to hire only per-diem crossing guards. As stated in an earlier paragraph, the city spent approximately \$525,315 in salary and wages and \$416,736 in direct benefit costs for a total of \$942,051 on crossing guards.

The city should be commended for its current practice of only hiring per-diem crossing guards, saving the city thousands of dollars in direct benefit costs.

Recommendation:

When the crossing guard's bargaining agreement comes up for renegotiation during 1999 (the contract runs out June 30, 1999), the city should try to eliminate the practice of paying medical benefits for these part-time employees who have been classified as full-time.

Cost Savings: approximately \$416,736 in direct benefit costs

In talking with various personnel in the police department, it did not seem as though there were any studies done to determine whether the number of posts are warranted and/or should be moved to different locations. It was estimated to the review team that if posts were more strategically placed, the city would be able to reduce the number of posts by four or five.

Recommendation:

The city should undergo a study to determine whether the crossing guard posts are warranted and/or located in the proper areas. If the city were to be able to reduce five posts throughout the school year, the city would be able to save approximately \$5,580 in salary and wages of per-diem guards.

Cost Savings: \$5,580 in salary and benefit costs

False Alarms

There were 3,428 total burglar alarm calls for service in 1997. The department estimates that approximately 90% of these calls for service were false. It is the policy of the department not to charge for false alarm calls, even though the city has an ordinance in place (27-1) that addresses this issue and outlines a fee schedule. Covered in the ordinance are registration fees for the alarm systems and penalties for recurring false alarms. The director of the Department of Public Safety is charged with the collection of the registration fees, as well as the fines for recurring false alarms. The fees for alarm registration are \$12.00 per year. The first and second false alarms transmitted during the calendar year are not charged, but require a warning notice to be issued. The third false alarm is scheduled to incur a \$15.00 fine, and the fourth false alarm fine would be \$25.00.

While the review team feels these fees are low, we believe the reason for the ordinance is to reduce the number of false alarms and not solely to generate revenue for the city. During interviews with officers and supervisors, the number of false alarms was mentioned as a serious problem. The typical response for this type of call was for at least two officers, taking them at least 20 minutes to complete. Besides wasting time that the officer could be spending productively, another problem associated with false alarms is the sense of complacency that a responding officer develops. This complacency could lead to tragic results should they be faced with a real event, when they are assuming the response is to another false alarm. The department

needs to enforce the ordinance relating to false alarms that is already in place. By taking false alarms more seriously and assessing the scheduled fees, the team believes the number of alarms could be reduced by 50%.

Recommendation:

We recommend that the police department enforce the existing city ordinance and fee schedule for false alarms in the city in an effort to reduce the number of false alarms.

Due to the lack of information available, it is not possible to determine the revenue that would be generated through enforcing the false alarm ordinance by collecting the fines and registration fees. However, a review of another municipality, which is about half the size of Bayonne, had approximately half the alarm calls for service, and had a similar ordinance concerning false alarms, found that they generated approximately \$45,600 in registration fees and false alarm fines when they enforced their ordinance.

Tele-Service

Upon review of the department's calls for service, it was determined that a substantial number of calls received by the department can be resolved without having a uniformed police officer respond. This could be done by having residents dictate a report to the department by telephone. This would allow the department to keep patrol vehicles on the road doing patrols and responding to more immediate needs. The types of calls for service that could fit into this category include auto theft, bicycle theft, vandalism, lost property, nuisance phone calls and related types of incidents. The review team estimated that in 1997, approximately 3,950 calls fell under these categories.

Calls for service should be screened to ensure that:

- an offense is not in progress;
- no offender is at the scene that may be a threat to persons or property;
- there is not an opportunity for an apprehension at this time;
- the event is not a type of offense or is in combination with other offenses for which department policy specifies an on-scene investigation;
- there is no physical evidence to be collected or witnesses to be interviewed; and
- there are no other circumstances present that would lead the call-taker to believe that a police response would be needed.

For tele-service to be effective, it should include the following:

- a clear policy and procedure that specifies the types of calls eligible for tele-service;
- the ability of the citizen to choose whether or not the call is taken over the phone or in person;
- training of personnel to effectively carry out this task; and
- ensuring that reports taken over the phone are reviewed for accuracy and are included in any feedback to the patrol shifts so that the patrol sectors are aware of incidents occurring in their sectors.

If 50% of the calls that could have been handled through tele-service were eliminated from the patrol response, and each call averages 45 minutes (Division of Criminal Justice standard), this would result in 1,481 hours of increased patrol time. This equates to a productivity enhancement of \$54,486.

In implementing this program, the city's dispatchers could be trained to take these reports, along with the civilian aides and the desk lieutenants who are assigned to the police desk and currently handle walk-in reports. The tele-service program, if implemented, should be introduced to the public in a careful way to explain that these are low priority calls that often require the caller to wait for a police response. Additionally, it should be stated that filing a report over the phone would take less time than waiting for a patrol officer to respond. As an added feature of the program, the department could offer to mail completed reports to the people using this service.

Recommendation:

It is recommended that the police department implement the tele-service program, reducing the number of calls for service they need to respond to in person, thereby resulting in increased patrol hours.

Productivity Enhancement: \$54,486

Criminal Identification Training

The department has 46 officers and detectives who are trained as Bureau of Criminal Identification (BCI) officers. The patrol division has 30 of these officers assigned to it. The detectives in the records/identification unit have trained these officers in the processes and some personnel have also been sent to schools to supplement their training at minimal cost to the city. The practice of having multiple officers training in crime scene identification was universally praised throughout the department.

BCI officers provide initial crime scene processing for routine incidents, when the county crime scene unit would not typically respond. The county unit usually just responds to major crimes and events. One of the major advantages of having multiple BCI officers is that it saves in salary costs, which usually can result from calling out an identification detective on overtime to process a crime scene, or by having to staff an identification unit 24 hours per day. Another advantage is that the BCI training gives patrol officers a better understanding of the importance of crime scene work, and a sense of ownership. The citizens benefit by having a more effective and cost efficient service provided as well as a better chance of clearing the case.

We commend the department for providing this additional training to its patrol officers, which provides a more effective and cost efficient service to its citizens.

Acting Pay

The department, per its labor contract, currently compensates officers who are assigned to duties of the next higher rank on a day to day basis (out of title pay). It was estimated that this practice cost the city approximately \$17,000 in 1997. We feel that this practice is unnecessary and should be eliminated. Established procedures for temporary assignments, without paying someone acting pay, are already spelled out within the department's policies and procedures. The only time the review team feels that acting pay is warranted is if the assignment is to be for an extended period of time. The city should work to eliminate this contract provision during the next phase of negotiations.

Recommendation:

It is recommended that the city, during the next contract negotiation phase, eliminate the practice of paying officers for acting pay on a day to day basis. Instead, a provision could be added which indicates that assignments would need to be scheduled over an extended period of time in order to be eligible for additional compensation.

Cost Savings: \$17,000

The department employs a “relief” captain in the patrol bureau to cover for absences of the captains assigned to the evening and midnight patrol shifts. The review team feels that one of the reasons why the department has this position is because the department currently has a policy that allows for acting pay when subordinates fill ranking officer positions. These patrol captains are in command of the patrol shift when they are there, generally spending the majority of their time scheduling personnel, reviewing daily reports, creating and instituting various projects, administering discipline, and investigating internal affairs complaints. Since the review team expects the city to eliminate the acting pay provision within the police department and acknowledges the capability and professionalism of the ranking officers within the department, we do not see the need for the position of “relief” captain.

Recommendation:

We recommend that the city eliminate the position of “relief” captain within the patrol bureau and allow lower ranking officers to fill in for patrol captain absences.

Cost Savings: approximately \$103,850 in salary and benefit costs

Vacation Usage/Scheduling

Under the current contract, uniformed police employees are allowed to take two weeks of their vacation during the summer months. According to departmental supervisors, this provision makes it very difficult to staff the shifts during the summer months. As a result, the department sometimes has to use overtime during the summer to adequately staff each patrol shift. The review team feels that if this clause were negotiated out of the contract, the department would have more flexibility to create a schedule where there were always adequate numbers of officers on duty. The review team also feels that because of this clause, the department is staffing its patrol shifts for the year at levels higher than needed because they need more personnel to cover the shifts in the summer months, due to employee vacations and other absences.

Recommendation:

The city should try to negotiate this clause out of the police contracts and, possibly, replace it with a system based on an officer's seniority, with the goal of more evenly allocating the number of officers out during the year.

Investigation Bureau

The Investigation Bureau is commanded by a deputy chief and is made up of the following: the community oriented policing (COP) unit, the detective division, the juvenile division, the narcotics and vice division, and administrative division.

Community Oriented Policing (COP)

As stated in the department's 1997 annual report, "the goals and objectives of the COP unit are to develop and expand relationships and partnerships with the community in an effort to improve the quality of life in target neighborhoods." This unit has quadrupled in staffing since its inception in 1991, and is currently comprised of thirty-three officers and one civilian. The current commander, a captain, has been with the unit from the beginning and has boundless enthusiasm and energy that he instills into his officers and the program. At the time of our review, this unit was staffed with one captain, four sergeants, twenty-eight officers and one civilian clerk. This unit works the schedule which was described in the traffic bureau.

The number of programs and activities in which this unit is involved are too numerous to list. The unit has been recognized both nationally and by the state for its achievements. The review team was impressed not only by the number of programs but by the success of these programs. Some of the functions that fall under the responsibilities of this unit are:

- **DARE and Crime Prevention.** There is a sergeant who administers these programs with the assistance of an officer. Both the sergeant and the officer spend approximately 50% of their time doing office work and 50% educating the public. The DARE instruction is provided to all of the schools within the city. Seventeen of the COP officers assist in providing this DARE instruction.
- **Bicycle squad.** When feasible, the COP unit will send out its officers on bicycles that were purchased through housing authority grants. There are two sergeants and 22 officers who will patrol using the bicycles.
- **Motorcycle squad.** The COP unit operates three motorcycles in targeted areas of the city and the county park that are no longer being patrolled by the county police force.
- **Graffiti/gang task force.** This is part of the department's quality of life initiative.
- **Mobile mini precinct.** The COP unit uses this highly visible, "mobile home" type vehicle to serve as a police presence in targeted areas of the city. An officer staffs the vehicle, so as to allow residents to make contact with the officers, be helped by an officer, and to allow the officers to do surveillance work around the area. Additionally, this vehicle has a secondary use as a mobile command post to be used for both planned events and emergencies.

The team became aware of a sense of division between the COP unit and the rest of the department. Numerous interviews revealed the sense of an "us and them" attitude when the COP

program was mentioned by other uniformed officers and vice-versa. It was apparent to the team that no one other than the chief, his immediate supervisory officers and the members of the COP unit was operating to support the COP “doctrine.”

There were various factors or perceptions that the review team feels helped to create the sense of division in the department. Some of the complaints relayed to the review team were that the COP officers were getting preferential treatment when it came to the issuance of overtime funded by federal housing authority grants (currently under grievance procedure) and lack of supervision. Another concern relayed to the team was that junior officers are usually assigned to the COP unit and receive additional training because of the COP program. Departmental commanders defend this practice by pointing out that new officers are more likely and willing to accept the concept of COP that is offered in training. There is a belief that more experienced officers are not interested in adopting a new philosophy concerning their roles. Finally, patrol bureau officers feel that working in COP allows individuals to work easier assignments, has more perks, and is viewed more favorably by both the police and city administrations.

Since the inception of the COP model, it was relayed to the review team that it was always a separate function under the supervision of the deputy chief of patrol. During the review process, however, the COP unit was moved from the patrol function to the investigative function. As a result, the COP unit is now under the supervision of the deputy chief of investigations. This seemed to validate the mindset of many in the department that COP was, in fact, a special unit, much like the investigation bureaus, and not a part of the mainstream patrol function.

Because of the success of the COP unit and the benefits of having a positive relationship with the community, the review team feels that an organizational change is necessary. We feel that community oriented policing should be a departmental “concept” and not necessarily an assignment or separate unit. Creating one bureau that encompasses both community oriented policing and traditional patrol will help to eliminate the perceived and/or existing inequities and discrepancies that come with the two being separate.

Recommendations:

The patrol division has the most police to citizen contact, and, thereby, has the most to gain and the most to offer by operating in the COP model. It is recommended that the community oriented policing doctrine be adopted by the entire police department and not be limited to one division, since all officers in the department interact with the public. This recommendation would entail the COP unit going back under the supervision of the deputy chief of patrol.

We recommend that all of the officers and sergeants currently under COP should be assigned to either the day patrol shift or the evening patrol shift, along with the programs that they now support. The current COP officers should be deployed to the shift that matches the programs they are presently engaged in.

Additionally, the training division should embark on an aggressive training effort to train, or possibly re-train, all officers and superiors in the community oriented policing philosophy and program.

We recommend that the mission statement, to be written by the department, emphasize that the community oriented policing doctrine/philosophy is utilized by the entire Bayonne Police Department.

Upon merging the COP function into the patrol function, the review team recommends the elimination of the COP Captain’s position and recommends the creation of a lieutenant’s position that will report to the deputy chief and establish a community liaison office and speakers bureau. He will be the point of contact for all COP related programs and charged with communicating with the deputy chief and patrol shifts. This lieutenant will also act as

the department liaison with the grant administrator (SEE PARAGRAPHS BELOW). He will also represent the department at meetings and functions that require a spokesperson and could also serve as the department's public information officer.

We recommend that the COP captain position be eliminated and a new lieutenant position, with a COP focus, be created which will report directly to the deputy chief.

Cost Savings: approximately \$14,441 in salary and benefit costs

As stated earlier, officers not assigned to the COP unit felt it was a burden on the patrol bureau to supervise COP officers when the COP supervisors were not available. One reason for supervisory problems is that when the city hires officers with grant funds there becomes a need to provide supervisory positions as well. This results in a dilemma for the city...should the city provide additional superiors with its own funds or take supervisors from other divisions, creating a shortage of supervisors. It seems that the city has tried to do as much as it can without having to hire additional supervisory personnel.

A second reason why supervisory problems exist for COP officers is that the superior officers have so many additional duties that they are not able to do much in the way of traditional line supervision. One COP Sergeant is in charge of the city's DARE and crime prevention programs and teaches many of the classes, so he is not generally available to be a line supervisor on the street. Another COP sergeant, because the city applies for numerous grants and because the reporting requirements on those grants is substantial, spends approximately 90%-95% of his time doing administrative work on the grants and other special projects as assigned by the COP captain. It should also be noted that two COP officers also spend about 20% of their time in the office doing data entry and retrieval work to provide information for the grants.

As a result of two sergeants being inundated with office work, two sergeants are left to deal with the day to day work of scheduling days off, training, issuing general assignments, and providing traditional line supervision to the COP officers. Because the COP officers work a 7-day per week schedule, 16 hours a day, it is often necessary that the sergeants on the patrol shifts must provide supervision to the COP officers in addition to their own patrol officers. The problem in

this scenario lies with the patrol superiors who are not familiar with the assignments of the COP officers, so it is difficult to provide the adequate supervision needed in a military type organization like the police department.

Recommendations:

Some of the supervisory problem will be eliminated when, and if, the patrol and COP functions are merged, but, in the interim, we recommend that the department facilitate open communication between the COP and patrol functions. This is required so that all of the supervisory personnel within the department will be able to provide adequate supervision to all of the department's patrol officers.

It is recommended that the city take away the grant work from both the COP sergeant and officers. The review team feels that having these uniformed officers complete administrative work is an expensive way to complete the task, does not fit with what they were trained to do, and addresses the supervisory problems already discussed. We recommend that the city either hire a civilian grant administrator for the police department or provide for one, through a stipend, under the CDBG program.

The COP unit reported that from January to November of 1998 their DARE vans were used 143 times. Of this usage, they used the vans 41 times to transport senior citizens on various trips, including trips to Pennsylvania, Atlantic City, Broadway plays and the Meadowlands Racetrack. The vans were also used to transport senior citizens to do food shopping on a scheduled basis, to bring people to soup kitchens, to provide transportation to funerals, and 25 times to collect food for a food drive. On Thanksgiving Day four COP officers volunteered to change their days off so that they could transport 100 senior citizens to a church that provided Thanksgiving dinner.

When the vans are used to transport people, two COP officers staff it. This is needed to try to prevent passengers from falling when getting in and out of the vans, as happened in the past and resulted in a lawsuit against the city. The vans have since been modified with a new step at a cost of \$1,000 for each van.

While the team commends the COP officers for identifying a need and providing a service, we question the police department's direct involvement in these activities and the practice of employing sworn officers to act as chauffeurs. The average sworn officer earns \$36.79 per hour in salary and benefit costs, so these events are costing the city \$73.58 per hour, per van. We feel that the majority of these services can be better provided by area social service agencies or through the city's recreation program, on a fee basis. In doing this, the city will not only be using the officers to do what they were trained to do, but they will also reduce the liability of transporting people with city vehicles and drivers.

Recommendation:

It is recommended that the police department discontinue the practice of using sworn officers to transport senior citizens and/or other residents, so as to allow the officers to provide additional time on patrol or posts.

Detective Bureau

A lieutenant assisted by a sergeant and 12 detectives staff this function. The day shift, consisting of the lieutenant, the sergeant, and 10 detectives, works Monday through Friday from 8:30 a.m. – 4:30 p.m. on the 5 on, 2 off, 4 on, 3 off, schedule that was explained earlier. The two detectives on the night shift work Tuesday through Thursday from 6:00 p.m. – 2:00 a.m. and 7:00 p.m. – 3:00 a.m. on Friday and Saturday. The night shift personnel also work the 5 on 2 off, 4 on 3 off schedule. The lieutenant, besides his detective bureau duties, is acting as the division commander of the juvenile bureau.

The detective bureau handled 1,013 cases in 1997 and averaged a 69% clearance rate of violent crimes and 49% clearance rate of non-violent crimes. These clearance rates are well above the state averages of 46.5% for violent crimes and 16.9% for non-violent crimes.

In other departments reviewed by the LGBR program, the review team found substantial cooperation between the investigative functions and the patrol functions when it came to crime analysis. According to interviews, while there is an amicable relationship between the two divisions, there is no sharing of information on a routine basis. As a result, the investigation division does not know what type of criminal activity the patrol division is dealing with and where it is occurring in the city. This problem also exists from the investigation division to the patrol division. If this information was shared routinely, the department would be able to better assess the short-term needs of the community and could create action plans to resolve the situation(s).

The department as a whole should be commended for its excellent clearance rates within the various investigative divisions, which suggests an aggressive approach to solving crimes within the city.

Recommendations:

A captain position should be created by promoting an existing lieutenant to command the investigative functions that are now under the field operations division. This position will report directly to the deputy chief. This commander will oversee the detective bureau, juvenile bureau, and the newly formed narcotics, vice, and ABC bureau. This captain will also be the day-to-day supervisor for the detective bureau, assisted by the sergeant.

Value Added Expense: approximately \$14,411 in salary and benefit costs

It is recommended that there be at least a weekly sharing of information between both the patrol and investigation divisions so as to better assess the needs of the community and to create action plans to resolve those needs and problems.

Juvenile Bureau

This bureau consists of a lieutenant and four detectives. These personnel are stationed at an office located in the Bayonne High School and deal with the majority of juvenile related cases that come into the department. The lieutenant and two of the detectives work the day shift from 8:00 a.m. – 4:00 p.m., and the other two detectives work the night shift from 3:00 p.m. – 11:00 p.m. These personnel work a Monday through Friday schedule on the 5 on, 2 off, 4 on, 3 off, schedule. These detectives handled approximately 200 investigations and processed 287 incidents from other units/divisions within the department. The bureau averaged a 68% clearance rate in the violent crime category and a 63% rate in non-violent crimes.

Recommendations:

Reduce the supervisory rank in the juvenile bureau from lieutenant to sergeant. The review team does not think the supervision of five detectives warrants a lieutenant level supervisor.

Cost Savings: approximately \$11,895 in salary and benefit costs

It is recommended that the detective sergeant be assigned to the night shift, so as to provide supervision to all investigative bureaus during the evening hours.

It is recommended that an additional detective be assigned to this bureau on the day shift.

Value Added Expense: approximately \$67,841 in salary and benefit costs

Narcotics and Vice Bureau

A lieutenant commands this function that is staffed with a sergeant and eight detectives. At the time of our review the Alcohol Beverage Control (ABC) unit did not have a supervisor assigned it, so the superiors within this division were supervising the ABC employees. This bureau works a day and night shift, with varying hours, on a 5 on, 2 off, 4 on, 3 off, schedule. This bureau maintains a seven-day per week coverage schedule. All but two of the detectives work on narcotics cases.

The bureau is effective in that it is responsible for approximately 56% of all drug arrests by the department. As a result of its success, the bureau has begun training others within the department in its investigation techniques, so as to address a pressing need within the community more effectively.

A priority for this bureau is to obtain funding for a surveillance van. Estimates on the cost of a state-of-the-art van range from approximately \$75,000 - \$80,000. Currently the bureau borrows the van from the county prosecutor's office, but this arrangement is not always satisfactory because there are many scheduling conflicts with many communities wanting to use the vehicle. The type of investigations done by this bureau requires a quick response, which is not always possible because the bureau is not always able to use the vehicle when needed.

Recommendation:

The department should explore the option of jointly purchasing a surveillance van with another community. With the opportunity to use a surveillance vehicle more often, the review team feels that this bureau should be able to generate enough revenue through drug

forfeiture funds to reimburse the city for a majority, if not all, of the funds used to purchase the vehicle with another community.

**Value Added Expense: approximately \$40,000
(which could be reimbursed to the city from the forfeiture fund)**

Along with investigating the city's drug activity, this bureau is also charged with investigating all gambling related activities in violation of the statutes. These investigations are similar to the complexity of narcotics investigations and are completed by two detectives. These detectives also maintain expertise in organized crime and gang activity in the city. They work closely with county, state and federal agencies to further these long-term investigations.

Alcoholic Beverage Control (ABC) Unit

At the time of our review, the ABC unit was a separate unit in the table of organization. In reality, though, the lieutenant of the narcotics and vice bureau was supervising this unit. This unit consists of four detectives who deal with providing background investigations for people requesting liquor licenses, providing for the renewal of license permits, inspecting between 80%-90% of all the ABC establishments, and investigating complaints against ABC establishments. This city currently has 84 consumption licenses, 10 distribution licenses and 13 club licenses. This unit's responsibilities are closely related to those within the narcotic and vice bureau and should be formally incorporated into that bureau.

Recommendation:

We recommend that the ABC unit be merged into the narcotics and vice bureau, thereby eliminating the need to replace the supervisory position for this unit.

Planning and Training Unit

This unit is responsible for planning, coordinating, and instructing various training initiatives for the department, maintaining the department's policy and procedure manual, putting out the chief of police's orders, coordinating the entry level recruitment program, distributing department issued property, and maintaining the department's training and personnel records. This unit is staffed with a captain and a sergeant. The captain spends approximately 90% of his time working in the planning and training functions and the other time is spent supervising records/criminal identification, the court officer, and the range officer.

The department personnel are required to have training three days per year, which is a reduction of one day from the previous labor agreement. There is a very limited budget for outside training, so the majority of training is done by the planning and training personnel and consists of mandatory training initiatives. The unit will make available to the officers any free training classes that it is aware of, but it does not do much research into all of the training opportunities which may be available because of lack of staff.

It is the opinion of the review team that the department needs to be more active in training its personnel. We feel that training above that which is mandatory creates a more professional and experienced department. We feel that the increase in internal affairs investigations can be attributed to some degree to the lack of training initiatives outside of that which is required. We also feel that increasing the amount of training that is provided to officers reduces the risk and liability to the city should an incident arise.

Recommendations:

We recommend that the department and city fully endorse the concept of training police personnel above and beyond what is currently being provided. Steps that should be taken include:

- 1. Negotiating with the union to get back the training day lost in the last round of negotiations and possibly adding training initiatives;**
- 2. Hire a civilian assistant who would be responsible for typing the chief's general orders, maintaining departmental records, providing clerical assistance, and doing other special projects as assigned by**

the captain. The hiring of an additional person to work in the office would allow the unit to actively search out other training opportunities, allow it to put together more training programs that would be used to educate and train the department, and allow it to finish updating the policies and procedures of the department which are significantly out of date.

**Value Added Expense: approximately \$35,065 in salary and benefit costs
(average cost of the city's full-time clerks and clerk typists)**

The planning and training unit provided the review team with a plan that they feel would effectively train the police department. The unit suggested that the department train some of the supervisors on how to train other personnel and then send those supervisors to training schools, and to bring back the information that they learned and pass it on to other department personnel.

Recommendation:

The department should institute a pilot program which would train appropriate supervisors in how to be trainers, send them to different training classes, and then have those supervisors report back with what they learned and create a training program for the rest of the department.

The organizational chart for the department indicates that there is a lieutenant in the planning and training function. This lieutenant is basically the chief's "go to" guy when he has special projects that need to be done. This lieutenant does not have any real dealings with the planning and training function, except for daily reporting. We feel that every department needs to have one person that can efficiently and effectively complete needed tasks, but we feel that this position should be shown on the organizational chart to reflect the actual work being performed.

Recommendation:

The organizational chart for the department should be changed so as to have this lieutenant reporting to the chief of police.

Court Officer

Within the department there is one officer assigned as the court officer. The functions of this officer include transporting prisoners to and from the county jail, maintaining order and safety within the courtroom, and maintaining prisoners in the holding cells outside the courtroom. On non-court days, besides some prisoner transport, this officer will assist with the processing of warrants or will assist where needed in one of the other "details."

Court runs for approximately 15 hours per week and the court officer is required to attend all sessions. The court holds its night sessions on Tuesday. As a result, the officer alters his daily schedule on that day to attend both the day and evening sessions without incurring overtime for the city. During the evening sessions, another officer is also assigned to court duty so as to provide additional security. This results in another three hours of court coverage by police personnel. In total, police officers are required to spend approximately 18 hours per week on court duty. Based upon an average patrol officer salary and benefit rate of \$36.79 per hour, it is costing the city approximately \$34,435 to provide this service to the courts.

Recommendations:

We recommend that the position of court officer be eliminated as a result of implementing the closed circuit video arraignment system as discussed in the court section of this report.

Cost Savings: \$76,523 per year

We further recommend the hiring of a part-time civilian bailiff, as a court employee, to cover court sessions (approximately 18 hours per week).

Value Added Expense: \$9,360

Property and Evidence Unit

The department has one detective assigned to the property and evidence function. This person is responsible for maintaining evidence, found belongings of unknowns, and prisoner belongings. This detective must log in, inventory, and store everything that comes to him.

In talking to the detective, one of his biggest concerns is storage space, because he had such a large amount of materials waiting to be disposed of which could be sold at a public auction. Presently, the detective stores prisoner belongings in his office, and has a small vault area and a small storage area in which to store all of the other materials. It was estimated to the review team that there had not been an auction for property held for at least 10 years.

Recommendation:

The city should hold an auction quarterly to dispose of anything that would be eligible. This would allow for more room to store materials and would provide a one-time revenue to the general fund of the city.

Records/Criminal Investigation

This bureau is supervised by a sergeant and consists of six civilians and one detective. One of the civilians presently splits her time between this bureau and the investigation bureau. The civilian employees work in the record function, while the detective assists the sergeant with criminal investigation work. Additionally, the sergeant oversees the warrants and property/evidence functions.

According to the sergeant, the records bureau is the memory of the department. Some of the duties of the bureau include data entry, maintenance, and disposition of all incident and offense reports; providing copies of reports and handling cash transactions; distributing important incident reports to the rest of the department; completing fingerprint cards for prisoners; handling of record checks for the city clerk's office and outside agencies; providing discovery for court purposes; and being the department custodian of records. The sergeant is also in charge of compiling the department's uniform crime report (UCR) statistics for the State of New Jersey.

The detective does the majority of the criminal identification work in this bureau. Some of the duties performed in this function include checking for arrest notifications on a daily basis; comparing fingerprint cards with State Police classifications; performing background checks for new public safety employees; fingerprinting prisoners and individuals for non-criminal purposes (ex. school hiring); creating and maintaining files on sex offenders under Megan's Law; maintaining criminal identification equipment; photographing crime scenes, and training officers in criminal identification (30-hour course). The detective also completes property/evidence functions on an as needed basis and assists the department's T.A.C. officer.

The records' window is open from Monday through Friday from 8:30 a.m. to 4:30 p.m. to provide service to the public. The bureau generated \$14,458 in revenue last year from providing copies of reports, fingerprinting of citizens, etc. According to the bureau, the fee schedule is never reviewed and updated to better cover the costs associated with providing these services to the public.

Recommendation:

The department should review all the fees assessed by the record bureau, so as to generate revenue sufficient to cover the costs of providing the service to the public.

Internal Affairs

The internal affairs unit is staffed by a captain and lieutenant. These personnel are responsible for investigating every complaint that comes in against department officers; completing investigations or research projects at the direction of the chief; maintaining internal affairs databases and records; and obtaining information from the community by doing mailings, surveys, etc. According to internal affairs' records, the numbers of cases that have been brought to the unit have increased dramatically over the past few years. In 1993, the department received 44 internal affairs cases that needed to be investigated, in comparison to 1997 when the department received 105 internal affairs cases. It should be noted that not all cases are directly investigated by the internal affairs unit. In cases involving minor violations, the unit provides direct supervision to the unit commander who will do the investigation. The unit attributes the rise in caseload to a few factors: many new officers, lack of training, increased citizen involvement, lack of supervisory oversight, and outdated policies and procedures (It should be noted that the department is currently in the long process of updating the policies and procedures to be followed by all the officers). Additionally, the unit feels that if supervisory personnel were trained properly, more of the investigations could be moved to the line levels, with only direct oversight being provided by the internal affairs unit.

Recommendations:

The department should direct the planning and training division to issue a series of training sessions that would serve to reduce the amount of internal affairs investigations against the department. Some of these

training sessions should include the appropriate actions of a police officer, the basics of an internal affairs investigation, and how supervisors can notice potential problems and stop them before they occur.

The unit noted that, if they were given some basic equipment, it would increase its effectiveness tremendously. For example, when one needs to listen to a recorded dispatch tape, one must go down to the dispatch center and hope that it is not in use. Also, when discovery requests are made to the unit, it does not have a basic high speed dubbing machine to expedite the requests.

Recommendation:

The department should try to accommodate any purchase of equipment that would increase the effectiveness of the unit.

As stated earlier, the unit employs both a captain and a lieutenant to do the investigative work of the department. The review team feels that in a department the size of Bayonne's, a captain is warranted in the internal affairs unit, but the lieutenant is not. We feel that a detective could effectively assist the captain. Additionally, with the money saved by having a lower rank assist the captain, the unit would be able to hire a part-time clerk to help reduce some of the clerical work that gets backlogged.

Recommendation:

Reduce the second position in the unit from a lieutenant to a detective and hire a part-time clerk.

Cost Savings: approximately \$21,598 in salary and benefit costs

**Value Added Expense: estimated at approximately \$10,000 in salary costs
for approximately 15 hours per week**

Communications & Dispatch

The Bayonne Department of Public Safety Police and Fire Communications Unit provides communications for both the police and the fire departments. This unit is commanded by a civilian who has the title of communications supervisor/9-1-1 coordinator and reports to the police director. He supervises 13 civilian public safety telecommunicators. At the time of our review the unit had two vacancies. This unit was created as a result of a public safety management audit report published in February, 1990. The audit showed the savings that would be created by eliminating the separate police and fire dispatch centers. The city has embraced the findings of the report and the supervisor has been instrumental in creating a professional communications center that serves both departments. The communications supervisor has developed a comprehensive set of procedures that covers both police and fire events, and all operators have the required training and certifications. The 1997 annual report for the department indicates that the dispatch center handled 73,131 calls for police and/or fire response during that year. The dispatch center is located behind the main desk area within the police department and, as a result, the desk lieutenant acts as the functional supervisor when the civilian supervisor is not present.

When there are telecommunicator absences that need to be filled, because of scheduling conflicts, absences, etc., the police department is tasked to provide "fill-ins." There are 24 patrol officers and sergeants that are 9-1-1 certified to act as a telecommunicator. The department's policy is that when there are more than two

sergeants on duty, and there is a need to assign someone to the dispatch center, a sergeant will be assigned. If no sergeant is available, a patrolman will be taken off the street and work in dispatch for the shift.

The review team was given documents that showed the “average” amount of time that uniformed officers spend as telecommunicator. During July, 1998, uniformed officers were needed for 144 hours as telecommunicator replacements. Also during this month, the department had to pay for 16 hours of overtime to civilian telecommunicators. The review team estimated that the cost of providing replacement coverage to the dispatch center for that month was approximately \$5,943.

It is the philosophy of the LGBR program to recommend that uniformed officers not do work which civilians can do. Because of the budgetary problems facing the city, we recognize that the practice of using uniformed officers will continue. We suggest that firefighters also be used to fill in when dispatchers are not available. Once the budgetary shortage is stabilized, we recommend that the city discontinue this practice of having uniformed personnel act as telecommunicators, thus taking them away from their normal duties for which they were hired and trained.

Recommendations:

We recommend that the city train and certify fire fighter personnel as telecommunicators, so as to share the burden of replacing telecommunicator absences with the police department.

Once Bayonne’s budgetary problems are resolved, the city should consider hiring additional telecommunicators, so officers would spend more time doing normal police and fire functions. It is recommended that, when the city is ready, it should look to hiring part-time telecommunicators, so as to save on benefit costs that are a major cost driver for municipalities.

As stated above, the current dispatch supervisor reports to the public safety director. The team feels that all public safety communications, computer and information activities in Bayonne should be functionally grouped together. We feel that the functions of the dispatch center, along with the civilian computer technician assigned to the police department, should be combined with the public safety signal division. By combining these areas, all of the radio, telephone, computer, fire alarms and traffic signal responsibilities can be directed by one supervisor. This new office, named the communication and information support unit, should be found on the police department’s table of organization. This unit should report to the administrative captain.

Recommendation:

We recommend that the dispatch function, the police department's computer function, and the public safety signal division combine into one unit. By doing this, the city would be able to eliminate one supervisory position.

Cost Savings: approximately \$52,181 in salary and benefit costs

Organizational Changes

As stated in the opening of the police section, the review team feels that the Bayonne Police Department is professional and provides a quality service to the residents of Bayonne. We do feel, however, that there should be some organizational changes to make the department more efficient, stream-lined, and cost-effective. Two organizational charts have been enclosed to picture the organization we recommend, along with proposed staffing levels (We tried to split the patrol function based on calls for service and understanding the number of squads needed on different shifts).

Recommendations:

We recommend the following changes (beyond what was already recommended):

The department should create a field operations bureau. This division, under the direction of the deputy chief, will consist of the former patrol division, with the changes to the traffic bureau and the elimination of the "relief" captain, and the investigative bureaus. Additionally, as was stated in the community oriented policing section, the COP function should be merged with the traditional patrol function, so as to create a better sense of community policing within the department and, hopefully, a more effective community policing program.

The position of deputy chief of investigations should be eliminated. Since the majority of the supervisory load should be transferred to the newly formed field operations bureau, the review team does not see the need to continue having two deputy chiefs.

Cost Savings: approximately \$115,835 in salary and benefit costs

Work Schedule

Nothing has more of an effect on the amount of personnel needed in a police department than the schedule being worked. As said many times in this report, the officers within the Bayonne Police Department were either working a 5 on, 3 off, schedule or a 5 on, 2 off, 4 on, 3 off, schedule. No matter the schedule, all of the officers were working an eight-hour shift. After corrections were made for departmental training purposes, all of the officers had a work year (before any time off was deducted for vacations, sick leave, etc.) of approximately 1,844 hours per year or about a 36-hour work week. When this is compared to a more traditional work week of eight-hour shifts for a recurring schedule of five workdays followed by two days off, it is found that the Bayonne police officers work 236 hours less than a traditional 40-hour workweek or 2,080 hour work year.

During the end stages of the review process, it was brought to the attention of the review team that the police officers were going to be granted a new schedule, in exchange for no salary increases for two years, one of which already is past. The new schedule would be a 4 on, 4 off, schedule in which the officers would work a 9-½ hour shift. This would provide for an overlap of officers each day for 3 ½ hours. Under this schedule, the officers would only be required to work 1,734 hours per year or about a 33.33-hour workweek.

The review team examined the staffing levels of the patrol shifts and the COP function by using methods prescribed by the Law Enforcement Standards section of the New Jersey Department of Law & Public Safety (DLPS). The method used determines the amount of patrol officers needed, based upon the work schedule, the time taken off by the officers, the amount of calls for service received, and some average factors used by DLPS to account for administrative time and the average time spent per call. For our review, we determined the average time taken off per patrol officer as 47 days per year. Additionally, we tried to more accurately account for the COP calls for service by changing the DLPS average factor for time spent per call from 45-minutes to 1 hour. The following chart represents the findings of the analysis:

Schedule	Current Number of Patrol and COP Officers	Number of Officers Needed (Analysis)	Cost of Patrol Officers Needed (Using an Average Salary & Benefit Cost for Officers)	Additional Officers Needed
5 on 3 off <u>OR</u> 5 on 2 off, 4 on 3 off (8 Hour Shifts)	113	113	\$7,666,033	0
5 on 2 off (8 Hours)	113	98	\$6,648,418	(15)
4 on 4 off (9.5 Hours)	113	130	\$8,819,330	17

The method of analysis used is based upon the calls for service in Bayonne, so the numbers of officers needed represents the level of staffing needed to maintain the present level of service to the community. As you can see, giving the police employees a 4 on, 4 off, schedule will be very costly to the community because of the need to hire an additional 17 officers at an estimated cost of approximately \$1,153,297 per year to maintain the present level of service. As in other LGBR reports, the review team recommends that all municipal employees work at least a standard 2,080 hour work year like the 5 on, 2 off, schedule. If the city were to negotiate with the police employees a 2,080 hour work year, the city could reduce its total patrol staff by 15 officers, saving approximately \$1,017,615 per year in salary and benefit costs from the prior schedule, and over \$2 million compared to the 4 on, 4 off, schedule.

Recommendation:

We recommend that the city try to increase the number of hours worked by the police officers to 2,080 per year (a 5 on, 2 off, 8 hour schedule). If this were achieved, the city would be able to reduce the number of officers by 15, saving approximately \$1,017,615 per year in salary and benefit costs. This will most likely be a long-term project for the city, so in the short run they should strive to reach the halfway point between a 1,844 hour work year and a 2,080 hour work year. This would enable the city to reduce personnel by seven.

Cost Savings: approximately \$474,887 in salary and benefit costs

FIRE DEPARTMENT

Organization

The Bayonne Fire Department consists of six fire stations, housing six first-line engine companies and three first-line ladder truck companies. Besides traditional suppression duties, the department has equipment that supports Haz-Mat, confined space rescue and boat rescue functions. At the time of the review, there were 166 uniformed fire fighters, one fire director, one civilian clerk for the chief and director, four civilian employees in the fire prevention function and three civilian employees in the fire/signal repair function. For the fiscal year that ended June 30, 1998, the department spent \$9,576,878 in salary costs and approximately \$2,471,334 in direct benefit costs for the fire director and uniformed personnel. Because of some staffing changes (reductions) that have occurred recently, the review team did not think it fair to discuss past salary and benefit costs for the civilian personnel. As a result, we estimated the salary and benefit costs for an annual period at existing levels. Based upon the civilian employees who were assigned to the fire department at the time of review, we concluded that the civilian personnel in the fire department, excluding the fire director, cost approximately \$254,892 in salary costs and \$98,375 in benefit costs.

It is the opinion of the review team that the department is very professional and provides a quality service to the public. This fact is reinforced by the fact that the Insurance Service

Organization (ISO) gave the Bayonne Fire Department an excellent ranking of Class “2” (on a scale of 1 to 10, with 1 being the best). Given this, the review team also feels that there are some alternatives that could be implemented to make the department more cost-effective and efficient without reducing the superior level of service being provided.

The fire department is under the direction of a fire director. The director is in command of the fire alarm/signal repair division and the fire division, which involves traditional fire fighting activities. The director is responsible for preparing, adopting, and enforcing departmental rules

and regulations; preparing and administering the budget, participating in contract negotiations; formulating long, medium, and short range plans; and overseeing the department and any reorganizations resulting from planning initiatives.

Under the command of the fire director, the fire chief heads up the fire division. The fire chief is the administrative and operational head of the uniform force. The chief is responsible to enforce departmental rules and regulations and provide discipline; act as commander of departmental members, apparatus, and equipment at fires; recommend personnel, material, and equipment needs; schedule assignments; prescribe methods of training and instruction; keep accurate records of fire activities; provide or request mutual aid; discuss activities that would increase the morale and efficiency of the department with the chief officers; and perform other duties as prescribed by the fire director. A deputy chief and a battalion chief, who acts as an assistant to the fire chief, assist the chief with the running of the department. The deputy chief heads up the traditional suppression functions and the assistant to the fire chief is in charge of the administrative functions, including training and fire prevention.

Recommendation:

It is the opinion of the review team that the employment of both a fire director and a fire chief is both expensive and duplicative. Many communities function efficiently with just one of the paid positions acting as executive officer of the department. We recommend that, when the fire director's position becomes vacant, the paid position of fire director should be eliminated.

Cost Savings: approximately \$89,552 in salary and benefit costs

Calls for Service

In 1997, the department was called out on 4,946 fire alarms for service. In 1996, the department responded to 4,549 fire alarms for service. For a point of reference, the department is responding to many more calls than earlier in the decade when calls ranged from 2,666 to 3,245 per year. The following chart breaks down the department's calls for service over the last two completed years:

Classification of Alarm	1996	1997
Fires in Buildings	253	269
Fires in Motor Vehicles	53	49
Fires in Rubbish / Trash (No Dollar Value Damage)	118	110
Other Outdoor Fires (Dollar Value Damage)	8	11
Malicious False Alarms	247	234
Bomb Scares	5	8
Mutual Aid to Other Cities	49	27
All Other Alarms for Emergency Services **	3,816	4,238
TOTALS	4,549	4,946

**** Examples of alarms included in this category are reports of smoke, hazardous conditions, faulty wiring, spills or leaks, accidental or mistaken/unnecessary alarms, and faulty heating or cooking units.**

Of the 253 and 269 alarms for fires in buildings in 1996 and 1997 respectively, only a small portion of those calls were classified as “significant” by the fire department. In the majority of the alarms in this category, the department was able to confine the fire to a small area and was able to avoid a “significant” situation. In 1996, the department responded to two extremely significant fires and seven other significant fires and in 1997, the department responded to four extremely significant fires and eleven other significant fires.

Scheduling

As is stated in the police section of this report, nothing has more of an effect on the number of personnel needed to cover shifts than the schedule worked. At the time of the review, the firefighters assigned to the suppression efforts were working a 2 on, 2 off, schedule consisting of a 10-hour day shift followed by a 14-hour night shift. This schedule results in an average work year, before any time is taken off for vacations, sick time, etc., of approximately 2,190 hours or about a 42-hour workweek. While the review was in progress, the city offered the fire department a new work schedule that was to take effect on January 1, 1999. The proposed schedule is a 1 on, 3 off, schedule consisting of one 24-hour shift followed by three 24-hour shifts off. The proposed schedule results in the same amount of hours worked as the current schedule, but results in the uniformed firefighters only being scheduled to work approximately 91 days per year.

As also stated in the police section of the report, we recommend that all municipal personnel be scheduled to work at least 2,080 hours per year or 40 hours per week. In the fire department, uniformed firefighters are scheduled to work 2,190 hours per year or a 42-hour workweek. Fire departments are unique, however, when it comes to downtime. If we were to be conservative and say there were 8 hours of downtime per work cycle, where firefighters are able to relax and/or sleep, their work schedule would then be altered to show a work year of approximately 1,460 hours or a 28 hour workweek. The current and proposed schedules reflect a four-platoon system and Bayonne currently staffs nine companies (six engines/pumpers and three ladder trucks). In this arrangement, the city employs a captain in-charge of each company and three lieutenants as direct line supervisors for the company for the times when the captain is not scheduled.

According to the National Fire Protection Association’s (NFPA) Fire Protection Handbook eighteenth edition, the four-platoon system requires 25% more personnel than a three-platoon system. Under a three-platoon system, firefighters would be scheduled on a 1 on, 2 off, schedule consisting of 24-hour shifts. This schedule would cause firefighters to be in station approximately 2,920 hours per year, or about 56 hours per week. Under this schedule, if we allow for eight hours of downtime, firefighters would be actively working for approximately 1,946 hours per year or about a 37.5-hour workweek, which is comparable to that of other municipal employees.

With a maximum scheduled workweek of 53 hours permitted under the Federal Fair Labor Standards Act (FLSA) over a 28-day cycle, each member working the 1 on, 2 off, schedule described above would exceed the allowable maximum by three hours per week. These personnel would be eligible for extra compensation, except when the work cycle is broken by absences. This additional compensation could be avoided by the utilization of what is commonly referred to in the fire service industry as a mandatory “kelly day.” This is simply planned extra

time off scheduled during the 28-day cycle that is designed to compensate for the extra time involved. The point of the above is to encourage the notion that all municipal employees be productive at work for similar amounts of time. Under the current situation, firefighters are much less productive than other municipal employees, due to the fact that they work in a reactionary function for the most part. Productivity of these firefighters must be maximized.

Recommendations:

In the next round of negotiations with the fire department unions, the city should try and establish a 1 on, 2 off, schedule, consisting of 24-hour shifts, for the suppression function of the department. In doing this, the department would be able to reduce its force by approximately one quarter. The department would be able to eliminate one battalion chief position, nine lieutenant positions (so as to leave a captain in charge of each of the nine companies), and thirty firefighters.

Cost Savings: approximately \$2,662,177 in salary and benefit costs

The review team acknowledges that this schedule change will require a significant concession(s) by the city. The city can not expect an employee to be at the job site for so many additional hours per week without any additional compensation. As a result, we recommend that in exchange for the schedule change, the city negotiate a pay raise for those current employees who will be working the proposed schedule. All new hires would not receive the increase and instead be paid the standard contractual rate. If the city were to increase the pay scale for these employees by 10%, it would cost the city approximately \$718,266 in salary costs.

Value Added Expense: approximately \$718,266 in salary costs

Fire Stations/Companies

The following chart represents the fire stations that are located within the city and the companies/apparatus & equipment assigned to each:

LOCATION	COMPANY/APPARATUS	OTHER EQUIPMENT
4 th Street	Engine #2 Ladder Truck #1	
16 th Street	Engine #4	Foam Truck Two Boats/Watercraft
27 th Street (City Hall)	Engine #3 Ladder Truck #2	Haz-Mat Vehicle Confined Space Trailer Pick-up (to pull trailers) Battalion Chief's Vehicle
Hook Road (DPW)	Engine #1	Decontamination Trailer Water Tanker (18 Wheeler) Water Shuttle
34 th Street	Engine #5	
57 th Street	Engine #6 Ladder Truck #3 Engine #8 (Reserve Vehicle)	

Towards the end of the review process, the department was awaiting the delivery of a new aerial ladder truck. When the truck was received, the department intended to place one of the existing ladder trucks in reserve.

In 1990, an extensive public safety management audit was conducted by the University City Science Center, Herndon, Virginia. This audit involved both the police and fire departments. Many of the recommendations in the report have been implemented with great success, such as consolidating the police and fire dispatch centers. One recommendation that was not implemented is reducing the number of fire stations. The report suggests closing the 34th St., 4th St. and 16th St. stations, building a new station in the area of 8th St. and Avenue C, and relocating personnel and equipment. Under this scenario, the department would then operate out of four stations. While this could still be a viable plan, the team does not recommend implementing it at this time, except for the 34th Street closing, because of the severe budget constraints within the city, the possible effects of taking over the MOTBY facility, and the increase in the number of alarms for service since the report was completed, which could effect where firehouses should be placed.

Recommendation:

While we recommend that the 34th Street station could be closed based upon proximity to other firehouses, we recommend that it should remain open until the city takes over the MOTBY facility and takes over the firehouse located there. We recommend that the engine company located at the 34th Street firehouse should be moved to the MOTBY firehouse. By closing the firehouse, the city should be able to put the property back on the tax rolls.

According to an 1993 NFPA survey of US fire departments from 1989-1991, the average number of engines/pumpers per 1,000 people is .086, the average number of aerial apparatus/ladder trucks per 1,000 people is .022, and the average number of firehouses per

1,000 people is .075 (based upon populations from 50,000 to 99,999). Based upon Bayonne's 1996 population estimate of 60,499, the city should have 4.54 firehouses, 5.20 engines/pumpers, and 1.33 aerial apparatus/ladder trucks. Based upon the results of that survey, Bayonne has one too many first-line ladder companies.

In Bayonne, an initial alarm for a structure fire requires three engines and one ladder truck to be dispatched. A second alarm requires one additional engine and one additional ladder truck. A third alarm requires two additional engines. Finally, a general alarm requires the other ladder truck to be dispatched along with a request for mutual aid. As a result, the only time when the department would need three first-line ladder trucks is a general alarm or if there were two structure fires at the same time. Both of these situations are rare. While the team could not gather information on when there were two structure fires at the same time, we did find that there was only one time in 1996 or 1997 when a general alarm was issued. Another point of reference, there were only nine second alarms in 1996 and eight in 1997.

According to the NFPA's Fire Protection Handbook (10-10), "Ladder companies are provided in relation to the degree of urban development and the need for aerial apparatus. In a densely developed city, one ladder company may be provided for every two or three engine companies." Additionally, the ISO reserves its highest rating for departments that have a 1.5 mile coverage area for engine companies and a 2.5 mile coverage area for ladder truck companies in the built up area of a community. Using these guidelines, Bayonne could reduce the number of ladder companies by one and still meet both of the standards.

Finally, a comparison was done to another city presently being reviewed by the LGBR program. East Orange has a 1996 estimated population of 70,534 and has a land area of 3.92 square miles. Bayonne, in comparison, has an estimated population of 60,499 and has a land area of 5.62 square miles. As a result, East Orange is a more densely populated city than Bayonne. Additionally, East Orange's housing stock is much older than Bayonne's and is not as well maintained. Both of these factors indicate a greater fire hazard in East Orange.

East Orange, as did Bayonne, received a Class "2" rating from the ISO. East Orange responded to 307 structure fires in 1997, as compared to 269 in Bayonne. Of those calls, Bayonne responded to 15 fires classified as "significant," while East Orange responded to 62. East Orange has only two first-line ladder trucks.

Recommendations:

We recommend that the city eliminate one ladder truck company from service. This would enable the city to eliminate one captain, two lieutenants, and ten firefighters (based upon the new schedule being adopted).

Cost Savings: approximately \$865,093 in salary and benefit costs

(If the city does not change the schedule, but does eliminate a ladder company from service, the city would eliminate one captain, three lieutenants, and 13 firefighters. The savings would be approximately \$1,128,888 in salary and benefit costs.)

As a result of reducing one ladder truck company, the city should sell one of its ladder trucks, after the new ladder truck has been delivered. This would leave the department with two first-line ladder trucks and one reserve ladder truck.

One-time Revenue Enhancement: approximately \$30,000

The department needs to strengthen its mutual aid agreement with Jersey City to have a ladder truck assigned to Bayonne for all 2nd alarms which occur within the city, rather than when a general alarm is sounded.

In reducing one ladder truck company from service, the department will need to alter its response policies. One suggestion would be to station one ladder company at the 27th Street firehouse and one ladder company at another firehouse the department deems appropriate. If the ladder company from the 27th Street firehouse is called on an alarm, the department should consider having the other ladder company re-station itself at the 27th Street firehouse so as to be centrally located for additional alarm calls.

Recommendations:

The city should explore options with the developer of the MOTBY facility to share in the costs of providing any additional fire protection services as a result of development.

The city should ensure that the fire department is involved in the planning and development of the MOTBY facility.

Public Interaction and Education Initiatives

A battalion chief directs the public education initiatives and other events as an additional duty. The department tries to be very active when it comes to interaction with the public. The department administered several programs for which it should be commended:

- **Junior Fire Inspector Program.** This program targets all of the 2nd grade students within the city and teaches them how to inspect their home for any fire hazards and to ensure that there are proper fire detection devices.
- **Firehouse Tours.** There were more than 100 tours conducted by the department.
- **Senior Citizen Program.** This program is similar to the junior fire inspector program that teaches people how to inspect their homes for fire hazards and tries to ensure that all homes have proper fire detection devices.
- **School Programs/Lectures.** Many requests were made for the firefighters on duty to come to the schools to demonstrate first-hand how to make homes safe from fires and things to do to avoid becoming burn victims.
- **Fire Education Flyers.** The department distributes flyers in neighborhoods where a fire has occurred. This flyer offers safety tips and gives phone numbers that can be used to request free home fire inspection.

- **Project Santa.** During the holiday season, the firefighters distribute gifts to needy kids. The department charges a small fee to the organizations it visits to raise funds for department initiatives.
- **Hometown Fair.** The department demonstrated the capabilities for extinguishing fires, confined space rescue, hazardous materials mitigation and vehicle extrication. At regularly scheduled intervals, the department orchestrated mock disasters so the public could visualize how the department can perform during an emergency.

The department should be commended for its initiatives to educate the public in fire education and the capabilities of the fire department. These initiatives help greatly to create public interaction, awareness, and trust.

Alternate Funding

The department has been very successful in minimizing the amount of municipal money spent on equipment needs by identifying moneys from sources other than from the municipality to help purchase necessary equipment. The following is a list of the initiatives taken:

- **Project Iris.** A committee of city residents coordinated fund raising efforts to purchase an infrared imaging system for the department. Three units were purchased at \$20,000 each without municipal funds. There were some excess funds collected, and these will go towards purchasing defibrillators if the department begins a First Responder Program to supplement the city's ambulance service.
- **Confined Space Rescue Trailer.** Instead of purchasing a vehicle, the department purchased a trailer at a cost of approximately \$5,600 that can be pulled by one of the department's vehicles. Approximately \$18,000 of equipment was donated to equip this trailer and 100 hours of labor was performed by fire fighters to build/customize it to their needs.
- **Mobil Decontamination Unit Trailer.** This trailer was designed in-house and funded through local industry donations (approximately \$65,000). Similar to the confined space rescue trailer, this trailer has no on going maintenance costs and is pulled by one of the vehicles in the department's fleet.
- **Pierce Saber Pumper (New Engine #3).** This pumper was designed by the department and purchased through \$235,000 of Community Block Development Grant (CBDG) funds, with no direct cost to the Bayonne taxpayers.
- **Refurbish Ladder Truck #1.** The department refurbished one of its ladder trucks at a cost of approximately \$35,000, so as to extend its useful life.
- **Recouping Costs.** The department has an unwritten policy requesting reimbursement for expenses that were incurred for Haz-Mat type events that the department feels were preventable and in which companies have been identified. The department has been successful twice since 1995 in recovering \$14,663 from two companies.

The department should be commended for its initiatives to save the city money and to receive money from alternate sources. The department should continue in these endeavors.

Additionally, the department should formalize its policy to recoup costs in preventable Haz-Mat situations.

Arson Unit

The arson unit was formed in 1996 as a part of the suppression force. The department has trained eight fire fighters as cause and origin investigators and has deployed them on each tour. They work along with the Bayonne Police Department to investigate suspicious fires. Many departments have this capability in separate units, which drive overtime use because of investigators working week days and being called in nights and weekends. There were 29 fires in 1996, and 43 fires in 1997 that were investigated by the arson unit. The arson fires were then referred to the police department for further investigation.

The department should be commended for its approach to investigate suspected arson within the city by utilizing firefighters on-duty, instead of hiring additional personnel in a separate arson unit.

Recommendation:

The department should consider training additional firefighters to be arson investigators, so as to have a larger pool of qualified personnel to cover for employee absences.

Fire/Signal Repair Division

This division is headed by a supervisor who reports to the fire director. This division has two additional employees who are classified as traffic signal “1” technicians. The responsibilities for this division include:

- **Maintaining the fire alarm system (including call boxes located on the streets).**
- **Maintaining the city’s traffic signals.**
- **Maintaining the city’s phone system.**
- **Maintaining electronic equipment, such as pagers, fire radios, etc.**
- **Acting as liaison to PSE&G for street lights.**
- **Providing electrical work to the city that is not bid out to contractors.**

The Gamewell Fire Box alarm system consists of 233 call box stations on the street and over 25 miles of wire both above and below ground. This entire system is connected to a controller in headquarters. The fire department reported that during 1997 the alarms received by the department were as follows:

Call Box	Phone	Talk Alarm & Verbal	Radio	Total	Total # of Alarms Which Were False
234	2,840	1,827	18	4,919	947
4.8%	57.7%	37.1%	0.4%	100%	19.3%

The call box system is over 70 years old and all of the call box stations are at least that old. The preventive maintenance for these call box stations requires a full two weeks twice a

year using both technicians. The age of the controller that is located in headquarters is not known but it has reached a point that the technicians can no longer guarantee its reliability. Because the system is so old, parts are not always available and the department must fabricate parts to keep the system operating.

In addition to the age of the system, another problem is the underground wiring. There are a number of vaults that need to be repaired or replaced. These defective vaults are letting water infiltrate the system which is causing grounding problems. These cable failures are very difficult to isolate and repair and may take days or weeks to fix.

It is important to note that most of the schools within the city are connected to this alarm system. In the event of a power outage, the system has no back up power capability to prevent the fire alarms in school buildings from being inoperative.

The city has not changed to a modern reliable system because of the capital costs. The replacement cost for the controller to the current call box system is estimated to be \$50,000, (\$40,250 for the equipment). During our interviews, everyone agreed that most alarms that were received from this system were false, with estimates ranging from 90% to 95%. As shown in the chart above only 4.8% of all alarms received by the department were from the call box system.

Recommendation:

It is recommended that the call box alarm system be removed from service due to the high repair and replacement costs as well as low percentage of use and high incidence of false alarms received through this system. Only the system within the schools should be replaced with a new, state-of-the-art fire and intrusion alarm system that would be much more reliable. It is further recommended that the annual cost of the new alarm system be allocated to the schools.

Value Added Expense: \$25,000 (allocated to schools)

Cost Avoidance: \$50,000

Productivity Enhancement: approximately \$4,440 annually in salary costs to eliminate preventative maintenance on the call box system

As stated in the police section of this report, this function should be combined with the communications and computer function of the police department.

Fire Prevention

In providing fire prevention services to the city, the department employs a captain, who is presently "acting" in the position of fire official, and four civilian support personnel. The captain's duties include supervising the function, doing inspections, providing educational programs, and coordinating fire drills at the schools, while the civilian personnel work in clerical functions such as typing certificates of inspection, filing inspection records, taking complaints from the public, doing fire statistic reporting, and other various duties.

The review team recognizes and applauds the aforementioned initiatives of the department to increase productivity. Besides the initiatives already stated, the department also requires that firefighter companies perform approximately 3,800 in-service inspections on non-life hazard facilities. The department also requires that the company captains complete approximately 200 life hazard inspections, or about 22 each. This leaves about 170 life hazard inspections to be done by the fire prevention captain, if time permits.

Over the past few years, the total number of life hazard inspections completed each year has been decreasing. The main reasons for this are the reduction of inspectors within the fire prevention division and a decrease in the number of inspections done by the company captains. From 1996 to 1998, the number of life hazard inspections that were actually completed fell from 300 to 234.

The captain in charge of the fire prevention division told the review team that the life hazard inspections done by the company captains (about 200) are the more routine inspections lasting between 2-3 hours per inspection. The supervising captain does all of the other inspections that are completed on multi-family dwellings, large businesses, schools, etc. which can take days or even weeks to complete. Some examples of these larger facilities to be inspected are the school buildings and the hospital. The Bayonne Fire Department Rules, Regulations, Guidelines, Chapter 25, and General Rules, Section 5 states in part, "All members must devote their entire time while on active duty to the service." As a result, we recommend that more inspections be assigned to the company captains.

Recommendation:

The review team recommends that more life hazard inspections be given to the company captains to complete. These personnel should be given additional training to be able to adequately inspect these larger dwellings.

There is presently a policy that states that inspections should only take place during the daytime and during good weather. The review team does not understand why inspections can not take place during inclement weather or why they can't be done during the evenings when there is a better chance that people will be around to allow the inspection to take place.

Recommendation:

The department should eliminate the policy restrictions regarding inspection procedures.

A major problem that is really not being addressed is in the follow-up inspections. The division has a large number of follow-up inspections that need to be done to ensure that problem areas were corrected and compliance was achieved. The captain said the reason there is such a backlog is that there are restrictions on the company captains conducting these follow-ups.

Recommendation:

The department should employ a part-time inspector to eliminate the backlog of inspections presently in place within the fire protection division. Once the backlog is eliminated, the department should ensure that the company captains do both the initial and follow-up inspections.

Value Added Expense: approximately \$15,000

Training

The department currently has a lieutenant assigned to the training function. This person acts as in a coordinator role, not as a training officer. He is responsible for keeping track of training records, putting various training videos in each day so firefighters can get additional training, checking department equipment, and ordering various training supplies.

There is no set policy that regulates the amount of training that each firefighter should receive each day. According to the lieutenant, training should be done between one to two hours per 24-hour cycle, but he does not know how long each line supervisor actually takes to train the individuals in the training lessons. The department's battalion chiefs recently created the training lessons as a result of a joint effort.

Recommendation:

Training within the department needs to be strengthened. As a result, we recommend that the city look to train an officer to be a certified training officer. We feel that this position should require the rank of captain.

Value Added Expense: approximately \$11,891 in salary and benefit costs to promote the present position to a captain's position

BASIC LIFE SUPPORT SERVICES (EMS)

The city originally entered into a contract for basic life support services (BLS) with McCabe Ambulance Services for the period commencing July 1, 1996 and ending June 30, 2001. Additionally, the contractor must provide certain training classes to the fire, police, and other municipal departments. This service has since been transferred to American Medical Response, Inc. (AMR), although the city has not officially changed the contract and/or renegotiated the contract since there was no language in the contract that dealt with service transfer. The contract stipulates payments by the city to the contractor of \$3,273,552 over the life of the contract. Payments escalate at 7% per year from \$569,240 in FY97 to \$746,158 in FY2001. At the same time, the prices charged to individual customers, or their insurance carriers, for basic life support ambulance service, excluding charges for mileage & disposable equipment, escalate from \$195 per occurrence to \$290 per occurrence. Finally, there is a subscription program in which residents can pay a fee to the ambulance contractor so that any costs not covered by a resident's insurance carrier will not be transferred to the individual.

According to the contract, the contractor shall provide complete BLS service to any person within the corporate limits of Bayonne or between exits 14 to 14C on the New Jersey Turnpike. In order to provide this BLS service, the contractor must provide two fully equipped ambulances with four Emergency Medical Technicians (EMT's) on a 24-hour, seven-day per week basis. Additionally, the contractor shall maintain two fully equipped

ambulances and four EMT's on call and available in the event of overflow calls. The contractor is responsible for providing all personnel, E911 dispatch services, supplies and equipment that are necessary to provide the service to Bayonne.

In 1997, there were 4,573 calls for ambulance service listed on the vendor's monthly recording form. In 1998, there were 4,670 calls for ambulance service. The police department receives all incoming 911 calls and then transfers the calls for ambulance service to the contractor's dispatchers. According to the performance standards in the bid specification, the contractor must respond to 95% of the life threatening calls within five minutes of the original dispatch and respond to 95% of the emergency calls within ten minutes of the original dispatch.

Based on the records stated above, the average call for service in fiscal year 1998 cost the city a payment of approximately \$130.43. In comparison, the average call for service in East Orange is approximately \$44.74 in FY99 and the average call for service in Paterson was approximately \$43.91 in 1996 when the LGBR program did its study there. East Orange presently contracts out for its ambulance service while Paterson provides the service through its fire department. In comparing Paterson to Bayonne, the review team took the total cost of the operation and subtracted the revenue collected through the billing process, so as to do a comparable analysis to Bayonne. If Bayonne were to achieve a rate of approximately \$45 per call, the savings to the city would be approximately \$398,958 per year.

In the Paterson City report, the LGBR program was able to find a benchmark of \$108,880 per ambulance for 24-hour coverage. This cost was the net rate (total cost minus revenue collections through billing). If we adjusted this benchmark to reflect two years of inflated costs, the approximate cost per ambulance would be \$115,413. For FY98, the cost to the city was to be \$609,087 for two ambulances, with additional back-up support. If the city were to contract for this service at the benchmark rate of \$115,413 per ambulance, the cost for two ambulances would be approximately \$230,826 or a savings of approximately \$378,261. Under this scenario, the city would need to ensure, as is currently the case, that back-up ambulances were available for unusually high requests for service. This would be done through the contract or through a mutual aid agreement with another municipality.

The reason that ambulance service costs are so high is because the bid specifications are written too narrowly. The specifications state that the contractor must operate out of a location within the corporate limits of Bayonne, including sufficient garage space for all ambulances. It also states that the contractor must maintain a dispatch center within the City of Bayonne and that the contractor must have at least five years of service providing BLS services to a municipality of similar or greater population, on a 24-hour, 7 day per week basis. Finally, it states that the contractor must have successfully administered a subscription membership program in a municipality of similar or greater population than in Bayonne. These narrowly written specifications limit the amount of competition needed to provide the best possible price for the service being delivered.

Recommendation:

We recommend that the city's attorney review the contract in place to determine whether it is valid in its written form or whether it needs to be renegotiated or put out to another bid. In any case, we recommend the city modify the bid specifications to encourage open

competition. The city will be able to reduce, if not almost eliminate, the amount paid by the city to the contractor, since the contractor is able to bill insurance carriers and since there is a subscription program in place.

Cost Savings: at least \$378,261 in salary and benefit costs

HEALTH DEPARTMENT

According to the FY98 CAFRA, the health department's expenditures totaled \$5,540,048. The health department staff consists of 21 employees with expenditures for salaries, including benefits, of \$735,155. There were two full-time school nurses, 15 part-time school nurses, a part-time public health physician and a part-time public health dietician for a salary and benefit cost of \$158,866. The senior citizens division employs 6 persons for a salary and benefit cost of \$237,748. The welfare division employed 4 persons for a salary and benefit cost of \$163,369. The city recently moved the welfare division to the county that is discussed later in this section.

The health department is a little different than most of the health departments studied by Local Government Budget Review. Instead of having environmental health officers as most municipalities, Bayonne laid off most of the health officers. A clerk, who was bumped recently, qualified to be a health inspector and will fill one of the vacant environmental health inspection slots in order for the city to fulfill its public health inspection requirements under the law.

The health department provides animal licensing, merchant licensing and registrar services for citizens and businesses within the community. Garbage collection contracts and recycling contracts are administered in this office by the recycling coordinator. The office on aging is also found in the health office's organization chart.

Health Fee Schedule

The city has not changed fees since 1988. The director of the department is in favor of reviewing fees. A member of the city's health staff has started looking at fees in similar communities in the area. Local Government Budget Review undertook a study of inspection and licensing fees for East Orange, which is located in a contiguous county and is approximately the same size as Bayonne. Utilizing that study, the review team feels that the city can reduce its taxpayer burden by charging more appropriate fees to match, more accurately, the costs of service provision.

<u>License</u>	<u># of Licenses</u>	<u>1988 Rates</u>	<u>Proposed Rates</u>	<u>1988 Revenue</u>	<u>Proposed Revenue</u>
Rest. < 25	69	\$50	\$75	\$3,450	\$5,175
Rest 25-75	38	\$100	\$150	\$3,800	\$5,700
Rest >75	30	\$150	\$200	\$4,500	\$6,000
Ambulance	7	\$50	\$200	\$350	\$1,400
Pigeon Coop	9	\$25	\$50	\$225	\$450
Pet Shop	2	\$25	\$50	\$50	\$100
Dry Cleaner	21	\$50	\$75	\$1,050	\$1,575
Laundromat	16	\$50	\$75	\$800	\$1,200
Mobile Units	65	\$100	\$150	\$6,500	\$9,750
Bakery	10	\$50	\$75	\$500	\$750
Chicken Market	1	\$50	\$100	\$50	\$100
Deli	122	\$50	\$75	\$6,100	\$9,150
Ices	1	\$50	\$75	\$50	\$75
Soda Company	1	\$50	\$75	\$50	\$75
Fish	2	\$50	\$100	\$100	\$200
Meat	6	\$50	\$100	\$300	\$600
Produce Market	6	\$50	\$75	\$300	\$450
Pre Package	69	\$25	\$30	\$1,725	\$2,070
Small Super	2	\$50	\$75	\$100	\$150
Medium Super	5	\$100	\$150	\$500	\$750
Large Super	4	\$150	\$300	\$600	\$1,200
Vending Permit	19	\$20	\$50	\$380	\$950
Vending License	94	\$10	\$10	\$940	\$940
				\$32,420	\$48,810

Recommendation:

We recommend that the city analyze fees and revise its fee ordinance to charge more appropriate fees based upon the costs incurred by the city in providing such services and licenses.

Revenue Enhancement: \$16,390

The city has accomplished a great deal in lowering the cost of service for many of the areas in the health department. The city recently moved local welfare services to the county to alleviate the strain these services were having on the local tax rate. The clients who received these services had to go to the county welfare office anyway to obtain food stamps. The staff was absorbed into other vacancies within the health department. Constituent health services are provided through a contract with a private nursing company. The city has a full-time nurse who provides annual physicals, chronic disease screenings, and nursing advice to the citizens of the city, as well as, serving in the role of workers' compensation contact for employees.

The aging office is under the control of the health office but is physically located in another building in the city. The review team believes this office could better serve its constituent populations using city hall and allow exercise classes as well as satellite programs to be run out of the Story Court building. The city would need three less staff people to run the office on aging and would serve a wider community out of city hall. The director of the department would also have more input into the day to day operations of the office and could be more responsive to the needs of this important segment of the Bayonne population through a synergy of program development between the health division and the aging office.

The transportation function that was run out of the aging office is in need of a new bus but this may be a duplicative function. The BEOF for the city also provides transportation services and recently received a grant for new busses. This service may be better served through other agencies found within the city. The health officer has already proposed this to the administration and the review team supports the concept.

Solid Waste

The city expended \$4,128,564 in solid waste collection and disposal in FY98. The five-year contract for collection expires June, 1999, which is perfect timing for the SFY2000 budget. The city should consider going from twice weekly garbage collection to once a week collection and, also, going from weekly recycling pickup to biweekly and eliminating business/commercial trash pickup.

The city collected 30,109 tons of Type 10 (residential waste) and 1,374 tons of Type 13 (commercial waste) solid waste in 1998. The city had a residential recycling collection of 8,448 tons in 1997, the last year recycling figures were available. The city's population growth rate is relatively stable and it is a safe assumption that residential recycling tonnage figures will not change dramatically in 1998.

The city did drop from three times per week pickup, to twice per week trash pickup, when they went to private collection. Recycling rates have improved since then and the city may want to consider keeping the weekly recycling program going on a once per week basis with a strong educational push to bring up rates for recycling.

There is a view held within the department regarding some multi-family dwellings needing more frequent pickup than once per week. The city should seriously study the feasibility of once per week pickup even for the multi-family units, since the majority of these are two to four family units. If the city were able to consolidate their routes and go to once per week trash pick up, they could save approximately 20% in expenses for trash pick up and transportation to the transfer station.

This estimate could be based off current costs except that the county changed the rules in January, 1999. Instead of all waste being delivered to the same transfer station, the city is now required to make two curbside pickups: one for trash and the other for bulky pickup. This results in additional transportation costs to the city regardless of whether the city is on once per week or twice per week pickup. It is difficult to ascertain how much the city will pay in the future due to

the peculiar pricing practice found in the solid waste industry. The review team concurs with the city's consultant that the city will save approximately 20% of the future cost by going to once per week collection.

Since the future cost of transportation will be higher as a result of the disposal changes done by the county, the savings will be higher than those expressed in the calculation. The city can further reduce its trash collection costs by reducing bulky pickup to twice per month on a call in basis. The transportation cost for garbage is expensive, and reducing the number of trips will cost less money, however the vendor will have to use more trucks on a route, because there will be more trash per household.

Recommendation:

The city should consider once per week collection as an option for residential collection. The savings will be in the new contract and are estimated to be 20% off of the future contract costs.

Cost Savings: \$340,000

Commercial establishments are big contributors to the recycling rate of the city and should be allowed to continue utilizing the city's contract for recycling pickup. Several years ago, the city also started to allow some businesses not found with the industrial zones to participate in the municipal trash collection. It is a benefit to the business community, but the residents are subsidizing these benefits.

Recommendation:

The city should consider eliminating the commercial establishments from the various routes for collection. While separate tonnage figures are not available for these commercial establishments, if the city were to remove them from the municipal trash collection, the city could save approximately 10% or \$170,000.

Cost Savings: \$170,000

BAYONNE FREE PUBLIC LIBRARY AND CULTURAL CENTER

The Bayonne Library system today consists of three libraries, the main library and two branches. The administrative offices for the library are located in the main library building, which is a Carnegie Library completed in 1904. The building is a handsome and impressive structure that is approximately 44,000 square feet. The central portion of the Library experienced a severe fire in 1959 and was refurbished in the early 1960's. In 1989 the library was rededicated as the Free Public Library and Cultural Center for the city. The library celebrated its centennial in 1994.

The team's impression of the library is that the staff is struggling to provide good service but there is a significant need for a clear direction and rearrangement of priorities. These changes are detailed in this section.

Identifying communities that were comparable to Bayonne for purposes of benchmarking was very difficult. While Bayonne is located in Hudson County and is certainly an "urban" community, its statistics do not necessarily follow those statistics typical of other "urban" northern New Jersey communities. Communities with populations similar to Bayonne in northern New Jersey were not similar demographically. In Bayonne, educational attainment, income and equalized valuation of property were all higher while the crime rate was lower. Using a comparison based upon total expenditures was also difficult. Communities with similar expenditures, and located in urban northern New Jersey, were found to have populations approximately 40% less than Bayonne.

In addition, the team compared Bayonne with communities found in both the same population category and total expenditure category. These other communities included Cherry Hill, Hamilton (Mercer County), Irvington and Middletown. Irvington was the closest in population with the others ranging from 8,000 to 25,000 more. Bayonne's spending on library materials as a percentage of total expenditures was on par with Irvington's, but was 5-7% lower than the other communities. The number of full time employees per hours open was equivalent to the other communities with Irvington being slightly lower. Only Irvington had a lower circulation per full-time employee than

Bayonne, with the other communities' circulation per full-time employee being from two and half to four times higher than Bayonne's.

Board of Trustees

The Bayonne Library is governed by a board of trustees which has seven members, including the statutorily mandated mayor, superintendent of schools and five other members. The mayor appoints the other members of the board of trustees for staggered terms. The library director and the city clerk had difficulty ascertaining the specifics as to who was appointed when. It was evident that the record keeping on the part of the library and on the part of the city clerk's office was not reliable. However, it appears that the situation has been straightened out. It is recommended that both the library and the clerk's office routinely maintain this information to avoid such confusion in the future.

Funding

A review of the 1997 New Jersey State Library's "Public Library Statistics" listed local taxpayer funding for the Bayonne library at \$1,547,514. State aid for 1997, according to the report, totaled \$58,663 for a total budget of \$1,646,847. N.J.S.A. 40:54-8 specifies that municipalities must fund libraries a sum of one-third of a mill on every dollar of assessable property based on the equalized valuation. The following reflects the required funding versus the actual local funding of the library.

Year	Total Funding	Required 1/3 mill	Additional funding	% over 1/3 mill
1997	\$1,547,514	\$811,499	\$736,015	47.5

The city is providing the library with 47.5% more funding than required by law.

The New Jersey State Library rates libraries based upon their dependency on local tax dollar support. In 1997, the Bayonne Library ranked 271 out of 315 reporting libraries, charging local taxpayer .636 per \$1,000 of equalized property valuation.

The library received \$5,000 in funding for FY99 from the Hudson County Cultural Heritage Affairs group for its cultural events and concerts, and has regularly applied for technology related grants. The library was recently awarded a \$6,000 technology bond grant and applied for a grant to expand the archive section to create a Bayonne archive.

Circulation/Patronage

One of the primary indicators of a library's success is its annual or per capita circulation. The library currently has a collection of 270,000 volumes, or 4.43 per capita. The library's circulation was 136,216, for a per capita circulation of 2.3. The average circulation per capita for the state was 6.9. Circulation figures in urban communities are frequently lower than the state average. Attendance is another indicator of library usage, however, the library does not have an automated "people counter" so the figures are manually recorded. The figures provided to the team fluctuated so greatly for the last four years that they appear unreliable.

Recommendations:

We recommend that the library administration prepare a better method of tracking program participation by patrons, for the various departments, and that these figures be evaluated in conjunction with prior year numbers to determine the success or lack of success of programs.

We recommend that the library include a "people counter" in the capital plan, which would help the staff more accurately determine attendance, and upgrade their book alarm system at the same time.

We recommend that the staff of the Bayonne Library analyze their circulation figures, which are 50% to 70% lower based on circulation per capita than communities in the categories reviewed, to determine reasons for the low circulation numbers and for ways to improve circulation (other than just increasing electronic media collections).

We also recommend the library more aggressively evaluate its collection. At over 270,000 pieces, it is significantly larger than the collections of most of the other communities in the comparison. While the library did establish a weeding policy in recent years, after bringing in a new librarian, it appears that more might be done to further weed the overall collection.

Library Hours

The main library is open 64 hours a week. In comparison, the average number of hours open for libraries in the infolink region was 58.2, slightly lower than Bayonne's. The hours are Monday through Thursday from 9:00 a.m. – 9:00 p.m., Friday and Saturday from 9:00 a.m. – 5:00 p.m. The facility is closed on Sundays, except for cultural events such as concerts and movies, which are typically held about a dozen times a year. Summer hours are slightly modified from the rest of the year's schedule. Some sections of the main branch are closed for a lunch hour in the middle of the day. The library has two branches, each of which is open 35 hours per week, with a slight variation in their hours of operation. The main library staff mentioned that Saturday is the day the library is most heavily used. The team visited the libraries at various times during the week and at various times of the day. Except when the library might be running special programs, the main library appeared to be marginally used during the week, before school let out, and especially on Fridays. Bayonne's circulation per hours open was significantly lower than all communities in the comparison.

Recommendations:

We recommend the library revise its hours of operation or staff schedule in order to provide staffing to keep all rooms and all library facilities open during lunch hours. One potential solution may be to open the library at 10:00 a.m. rather than 9:00 a.m.

We recommend that the library consider opening the library on Sunday afternoons to alleviate the burden placed on the library resources and staff on Saturdays. One way this could be accomplished would be by closing the library early on Fridays (essentially a half day) to maintain the actual number of hours open per week.

Organization/Staffing

The 1998 municipal budget indicates that Bayonne Library spent \$1,596,793 in 1998 for salary, wages and other expenses. The NJ Library statistics for 1997 indicate that the library spent 68.5% of its total budget on salaries, wages and benefits. According to the payroll information provided to the team for FY98, the library had 25 full-time employees and 18 part-time employees. Also, full-time employees per week for hours open was about 20% higher in Bayonne than other communities in the comparisons.

This number for full-time employees exclude four full-time maintenance workers, a security guard, and four part-time maintenance workers who were, during the course of this review, reassigned to the city's building maintenance

staff. These individuals continue to be assigned to work in the library and supervised on a daily basis by the library staff. This reassignment of employees will 'reduce' the library's budget by approximately \$237,000 for salary, wages, and benefits, although the employees are still available to them. The costs associated with these employees have been reallocated to another section of the city budget.

Recommendation:

Although it is commendable that maintenance and security was consolidated within the city operation, we recommend that the costs of the services provided to the library continue to be charged to the library budget.

The Library Laws of New Jersey specify staffing minimums required to qualify for state aid. These standards are based on the community's population and, in Bayonne, require that the city have a minimum of five professionals and a minimum of 16 full-time paid employees on staff. The library had six professionals on staff including the library director, nineteen full-time employees, and another 18 part-time. The 1998 payroll indicated the library had one professional librarian vacancy, and the proposed 1999 budget included two additional librarian positions to be filled, which would bring the total number of professional librarians to nine.

Recommendation:

It is recommended that additional professional staff be hired as indicated above, but offset by a reduction in the paraprofessional staff.

The administrative staff expressed concern over the scheduling of staff and indicated that additional staff was needed. Reconciling this concern with the fact that the library significantly exceeds the state's minimum staffing requirements revealed these causes:

- Vacation time exceeds the state benchmark by 5-10 days annually per employee.
- Personal time exceeds the state benchmark by 1 day annually per employee.
- The location of services on different floors and distant from the main part of the library and the existence of two branches.

Those employees that work on Saturdays are provided with a compensatory day for each Saturday that they work. While this helps keep overtime costs under control, it also contributes to the staffing problems.

Recommendation:

Because libraries do not have traditional work week hours, the staff should be scheduled for their required 40 hours over the entire course of the libraries hours, eliminating the need for comp time and overtime. In addition, a more creative/flexible schedule could be arranged to accommodate the busiest times in the library.

Recommendation:

We recommend that the city renegotiate the vacation allotment for all new library employees to the standard state vacation schedule. We also recommend that the personal day allotment be reduced to three days per year to coincide with the state standard.

Policies and Procedures

The library staff has been working diligently in the last four to five years to create and implement policies throughout the library. The library provided the team with policy guidelines for collection development, internet usage, computer usage, commercial usage, special collection usage, and donation of materials among many others.

We commend the library staff for proactively preparing and updating policies and procedures for employees and patrons of the library, especially in light of the changes and challenges facing today's libraries.

Facilities

The library consists of the main building and two branches. One branch is located in a small storefront on Avenue C, uptown, while the other is located in the southern part of town in the Senior Center on Story Court. The public portions of the main library are on both the first and second floors as well as in the basement. As mentioned earlier this increases the need for staff.

There are many concerns about the condition of the main library building.

- ADA compliance: The handicapped entrance is located in the basement at the street level. The outermost door is automated but the inside door is not. Renovations at this entrance have apparently not been completed.
- Safety: The handicapped entrance is unattended and unmonitored and the heating and cooling systems are adjacent to the entrance and unsecured.
- The second floor houses the children's room and the art and music room. Because of the remote location of these rooms they are closed to the public during lunch hour from 12-1.
- Much of the focus on improving the library has been from an aesthetic point of view, while less effort has been made to address the serious structural issues facing the building.
- Repairs to the main building have been done in a very reactive manner and are generally temporary solutions.
- The roof was "fixed" two years ago, yet continues to leak.
- The building has a wooden water tower on its roof that presents serious concerns.
- The basement, which unfortunately happens to be a storage area for some of City Hall's records, floods. Some of the records and their storage units are water damaged but nothing has been done to address this.
- Chunks of concrete are falling from the front colonnade into the entrance courtyard.
- The removal of an underground storage tank, as of this writing, has not taken place and the state deadline for removing regulated tanks has lapsed.

In conclusion, there appears to be an unwillingness by the library administration to push the issue of major building repairs with the governing body. Seriously thought out, long-term solutions to the ongoing problems do not exist, nor does a plan for preventative action. The results are that there are safety hazards, a continued deterioration of the property, and a failure to comply with laws. The team was informed that the city received a \$300,000 grant to be used for structural improvements to the library, yet the city has not, to date, involved the library staff in planning and prioritizing the expenditures.

Recommendations:

We recommend the library administration refocus their priorities, from the previous focus on technology, to the facility and its ongoing problems.

We recommend that a thorough long range capital plan and capital budget be developed to include all major purchases and repairs from technology to refurbishing the building and that the operating budget be developed to support the priorities.

We recommend that the city work closely with the library to expend the \$300,000 grant in order to assure that the most pressing legal and safety issues are addressed immediately.

We recommend the library discontinue leaving the basement door unlocked. We recommend the library install security video cameras and a buzzer system at the

handicapped access door and in the basement hallways to better control and monitor access to the library facility.

Value Added Expense: \$600 per camera

We recommend the library create an internal committee to assess the current library set-up and the possible re-configuration of the rooms, looking towards providing better access to patrons and possibly help alleviate staffing problems, due in part to the 'remote' location of some of the rooms. We also encourage greater communication between the city administration and the library administrative staff in developing a capital plan that identifies the critical structural issues. Once this capital plan has been created, a capital budget that provides for the repairs and/or replacements can be estimated.

The team visited both branches of the library on a number of occasions. In most instances, there were either no patrons, or only one patron, in each branch. The employees on duty were on the phone with other employees either in the main library or at the other branch. In addition to scheduled branch staffing, main library staff routinely deliver materials to the other branches.

The Story Court branch, located in the senior citizens center, appears to be used mostly in the mornings by senior citizens visiting the center. It appears the facility is more of a meeting room or reading room. The library has a pool of volunteers and they might consider using their volunteers as a way to help staff the Story Court facility. This would help to provide additional paraprofessional staffing at the main library and not scatter limited personnel resources.

Recommendations:

We recommend that the city attempt to staff the Story Court branch with volunteers from either the library or the senior center to free up paraprofessional staff to work at the main facility where the bulk of the patrons visit.

Productivity Enhancement: \$50,000

We recommend that the city close Branch II on Avenue C, because of its proximity to the main branch and low usage, and relocate the equipment and books to the main library facility.

Cost Savings: \$55,900

We recommend that patrons reserving books at the remaining branch be required to pick those books up at the main library eliminating staff time spent delivering books to the branch facilities.

Cost Savings: \$3,000

Automation

The city is part of infolink and the Bergen County Cooperative Library System (BCCLS), both of which are accessed through computers and the internet, and each of which is on their own network. Circulation figures for the library are monitored through BCCLS and infolink. According to the information provided to the team, Bayonne is one of 69 communities in the BCCLS system.

The library's collection was bar-coded in-house by the library staff. The library will be discarding its "card catalogues" this summer, which will free up space in the main entry portion of the library.

Technology/Internet

The Bayonne Library is to be commended on the advances it has made in the area of technology in the last few years. The library has an adopted technology plan. It is not exceptionally detailed but spells out the basic goals of the library. The library does not, however, have an adopted budget for the plan. Technology costs are distributed over

the separate budgets of the different departments of the library, not allowing a clear picture of the funds being proposed to implement the plan. The library has approximately 20 computer terminals allowing library patrons access to the internet. There are computers specifically for word processing, for access to BCCLS (Bergen County Cooperative Library System) and for the card catalogs, CD ROM's, etc.

Recommendation:

We recommend that the library administration prepare a separate detailed budget to go along with the technology plan it has adopted and discontinue purchasing equipment piecemeal through the separate departments.

Two computers are currently dedicated for word-processing use by patrons. This has been a huge success, and the staff has plans to add additional computers for this purpose when they become available. In addition to membership in BCCLS and infolink, the library recently subscribed to EBSCO host, an online periodical service that patrons can access from computers in the library or from home computers through the library's web site. This connection has allowed the library to reduce the number of direct list periodicals from 450 to 219, saving the library approximately \$6-7,000 per year, while providing access to over 2,000 periodicals through the EBSCO database. The cost to the city for connection to EBSCO is \$1,800. The library has a web site that is well done; easy to use, full of information, and appears to be regularly updated. It includes hours of operation, maps of the library, news and events, and programming schedules.

We commend the library for the connection to the EBSCO host, which has resulted in cost savings to the library, while actually expanding the number of periodicals available to patrons.

On a visit to a branch the employee indicated the computer with Internet access was not working. When the team inquired as to the problem, it turned out it was simply a matter of the computer not being logged on properly. The employee was not computer literate, and not able to deal with the simple computer problem at hand. According to the library's technology plan, all library staff is more than adequately trained in the use of the computers and the software. The team did not find this to be the case in the branches or even the main library.

Recommendation:

We recommend that the library provide sufficient training to its employees to enable them to be able to use the technology the library has installed and to enable them to assist patrons when necessary. Library personnel that are well versed in the library's technology could do this.

It appears from observation, and discussions with the staff, that the increase in demands made on current staff can be related to the increase in the number of computers in the libraries. The team observed that the patrons and staff do not always possess the expertise to address/resolve computer questions and problems that arise. Given these circumstances hiring/identifying a systems administrator to assist patrons and staff and provide training is advisable.

Recommendation:

We recommend that the library utilize the city systems administrator in troubleshooting and training library staff to assist staff and patrons with computer related issues.

The library applied for, and received, grant applications for funding to implement its technology plan. The library has aggressively pursued implementation of the technology plan, at times neglecting other issues demanding attention and finances, and has used a good deal of its state aid money for technology. The library received approximately \$120,000 in state aid in years '97 and '98. The library used approximately \$90,000 of this money for computers and other technology related items.

The technology plan includes video conferencing capabilities, which is the library administration's current "big" focus. This would allow patrons with Internet access from home to observe/participate in library activities and possibly programs sponsored by other entities. The rationale provided to the team for the library's need to provide video conferencing was in direct conflict with the rationale provided to the team for the library's need to have as many computers as possible in the future. The need for as many computers as possible was due to the residents not having, or being able to afford to have computers and Internet access at home. This supports the need to provide such access at the library. On the other side, the rationale for video conferencing is that it would allow residents to access library programs through their computers at home.

Recommendation:

As was mentioned in the facilities section of the report, we recommend that the library refocus its priorities on needed facility improvements. This would free a portion of the state aid money that the library was previously "reserving" for technology only.

Friends of the Library

Bayonne has a friends of the library group. Typically "friends" groups exist to support the library through fundraising activities. The friends of the library have a dedicated room in the basement of the library. They sort books that have been weeded from the library's collection, and periodically have book sales. A figure on the funds generated by the book sales was not available. At the request of the library administration, the friends donated two computers to the library.

Recommendation:

We recommend that the Friends of the Library prepare a fundraising plan to increase support of the various library initiatives.

Bayonne Historical Society

The Bayonne Historical Society has a “museum” in a room in the basement of the library. This room holds quite a collection, however, it is not organized or arranged in a display that would allow patrons of the library to view the collection. Members of the Historical Society have been working towards the establishment of an archive section in the library specifically for Bayonne and they were recently awarded a grant to support this effort.

LOCAL GOVERNMENT BUDGET REVIEW

Roland M. Machold, Acting State Treasurer
Peter R. Lawrence, Deputy State Treasurer
John J. Coughlin, Director, Local Government Budget Review
Emil L. Van Hook, Deputy Director, Local Government Budget Review

City of Bayonne Review Team

JoAnne Palmer, Team Leader
Robert Mahon, Deputy Director
Department of the Treasury
Local Government Budget Review

David Cockerham, Local Government Budget Review
Matt DeKok, Local Government Budget Review
George DeOld, Local Government Budget Review
Robert Harding, Local Government Budget Review
Eugene McCarthy, Local Government Budget Review
Richard Richardella, Local Government Budget Review
Karen Waldron, Local Government Budget Review
Jim Bruthers, Division of Taxation